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LEGISLATIVE HISTORY

Public Law 87-270

H. R. 7043

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INDEX AND SUMMARY OF H. R. 7043

Mar. 16, 1961	Rep. Lesinski introduced H. R. 5674 which was referred to the House Post Office and Civil Service Committee. Print of bill as introduced.
May 15, 1961	Rep. Lesinski introduced H. R. 7043 which was referred to the House Post Office and Civil Service Committee. Print of bill as introduced. House subcommittee ordered reported to the full committee H. R. 5674 with amendments.
Jun. 15, 1961	House committee voted to report (but did not actually report) H. R. 7043 with amendments.
Jun. 22, 1961	House committee reported H. R. 7043 with amendments. H. Report No. 568. Print of bill and report.
Jul. 10, 1961	House passed over H. R. 7043 without prejudice.
Jul. 17, 1961	House passed H. R. 7043 as reported.
Jul. 18, 1961	H. R. 7043 was referred to the Senate Post Office and Civil Service Committee. Print of bill as referred.
Aug. 30, 1961	Senate committee voted to report (but did not actually report) H. R. 7043.
Sept. 1, 1961	Senate committee reported H. R. 7043 without amendment. S. Report No. 864. Print of bill and report.
Sept. 7, 1961	Senate passed H. R. 7043 without amendment.
Sept. 21, 1961	Approved: Public Law 87-270.

DIGEST OF PUBLIC LAW 87-270

FEDERAL EMPLOYEES SALARY PROTECTION. Validates certain statutory salary increases made pursuant to Civil Service Commission regulations but ruled not proper by the General Accounting Office because the employee was downgraded prior to January 1958. Makes ineligible for salary retention protection the salaries of employees whose downgrading results from a temporary promotion to a higher grade.

87TH CONGRESS
1ST SESSION

H. R. 5674

IN THE HOUSE OF REPRESENTATIVES

MARCH 16, 1961

Mr. LESINSKI introduced the following bill; which was referred to the Committee on Post Office and Civil Service

A BILL

To extend to employees subject to the Classification Act of 1949 the benefits of salary increases in connection with the protection of basic compensation rates from the effects of downgrading actions, to provide salary protection for postal field service employees in certain cases of reduction in salary standing, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 TITLE I—SALARY PROTECTION FOR EMPLOYEES
2 SUBJECT TO CLASSIFICATION ACT OF 1949

3 AMENDMENTS TO CLASSIFICATION ACT OF 1949

4 SEC. 101. (a) Section 507 of the Classification Act of
5 1949, as amended (72 Stat. 830; Public Law 85-737; 5
6 U.S.C. 1107), is amended—

7 (1) by inserting “(including each increase pro-
8 vided by law in such rate of basic compensation)” im-
9 mediately following “to receive the rate of basic com-
10 pensation to which he was entitled immediately prior
11 to such reduction in grade” in subsections (a) and (b)
12 of such section;

13 (2) by striking out “and” in paragraph (3) of such
14 subsection (a);

15 (3) by inserting “and, with respect to each tem-
16 porary promotion occurring on or after the date of enact-
17 ment of this amendment, is not a condition of his tem-
18 porary promotion to a higher grade” immediately
19 before the semicolon at the end of such paragraph (3);
20 and

21 (4) by inserting “(including each increase pro-
22 vided by law in such rate)” immediately following
23 “July 1, 1954”, wherever occurring in subsection (c)
24 of such section, and immediately before the period at the
25 end of such subsection.

1 (b) (1) The amendments made by subparagraphs (1)
2 and (4) of subsection (a) of this section shall become
3 effective as of August 23, 1958.

4 (2) The amendments made by subparagraphs (2) and
5 (3) of such subsection (a) shall become effective on the
6 date of enactment of this Act.

7 RETROACTIVE COMPENSATION; VALIDATION OF PAYMENTS;

8 RELATION OF PAYMENTS TO CIVIL SERVICE RETIRE-

9 MENT ACT AND FEDERAL EMPLOYEES' GROUP LIFE

10 INSURANCE ACT OF 1954

11 SEC. 102. (a) (1) Except as otherwise provided in
12 paragraph (2) of this subsection, payments of increases pro-
13 vided by law in rates of basic compensation are hereby
14 authorized, and shall be made, in accordance with the amend-
15 ments made by subparagraphs (1) and (4) of subsection
16 (a) of section 101 of this title to section 507 of the Classi-
17 fication Act of 1949, as amended (5 U.S.C. 1107), and in
18 accordance with other applicable provisions of such section
19 507, as amended, for services to which the provisions of
20 such section 507, as amended, apply and which were ren-
21 dered in the period beginning on the first day of the first pay
22 period commencing after August 23, 1958, and ending at
23 the expiration of two years immediately following the first
24 day of such first pay period, with respect to each individual
25 who, on the date of enactment of this Act, is on any employ-

1 ment roll of the Federal Government or of the municipal
2 government of the District of Columbia, as follows—

3 (A) to such individual for such services so rendered
4 by him, if, on such date of enactment, he (i) is on any
5 such employment roll, (ii) is in the service of the Armed
6 Forces of the United States, or (iii) is retired under any
7 retirement law or retirement system for civilian officers
8 and employees in or under the Federal Government or
9 the municipal government of the District of Columbia;
10 or

11 (B) to the survivor or survivors, in accordance
12 with the Act of August 3, 1950 (Public Law 636,
13 Eighty-first Congress), as amended (5 U.S.C. 61f–
14 61k), of any such individual (for such services so
15 rendered by him) who has died prior to such date of
16 enactment, if, at the time of his death, such individual
17 was (i) on any such employment roll, (ii) in the serv-
18 ice of the Armed Forces of the United States, or (iii)
19 retired under any such retirement law or retirement
20 system.

21 (2) Payments of increases provided by law in rates of
22 basic compensation which were made for services described
23 in paragraph (1) of this subsection and rendered in the
24 period described in such paragraph, and which would have
25 been authorized under the amendments made by subpara-

1 graphs (1) and (4) of subsection (a) of section 101 of
2 this title if such amendments had been in effect at the time
3 such services were rendered in such period, are hereby vali-
4 dated to the same extent as if such amendments had been in
5 effect during such period.

6 (b) (1) Payments of increases described in paragraph
7 (1) of subsection (a) of this section shall not be considered
8 as basic salary for the purposes of the Civil Service Retire-
9 ment Act (5 U.S.C. 2251–2267) in the case of any retired
10 or deceased individual described in subparagraph (A) or
11 (B) of such paragraph (1).

12 (2) Payments of increases validated by paragraph (2)
13 of such subsection (a) shall be considered as basic salary
14 for purposes of such Act.

15 (c) For the purposes of this section, service in the
16 Armed Forces of the United States, in the case of an indi-
17 vidual relieved from training and service in the Armed
18 Forces of the United States or discharged from hospitaliza-
19 tion following such training and service, shall include the
20 period provided by law for the mandatory restoration of
21 such individual to a position in or under the Federal Gov-
22 ernment or the municipal government of the District of
23 Columbia.

24 (d) (1) Increases in rates of basic compensation author-

1 ized to be paid by paragraph (1) of subsection (a) of this
2 section shall not be held or considered to be annual compen-
3 sation for the purposes of the Federal Employees' Group
4 Life Insurance Act of 1954, as amended (5 U.S.C. 2091-
5 2103).

6 (2) Each change in rate of basic compensation made in
7 the period described in paragraph (1) of subsection (a) of
8 this section by reason of any payment validated by para-
9 graph (2) of such subsection shall be held and considered
10 to be effective as of the effective date prescribed for changes
11 in rates of compensation for group life insurance purposes
12 by section 17 (d) of the Federal Employees Salary Increase
13 Act of 1958 (72 Stat. 216; Public Law 85-462).

14 SAVINGS PROVISIONS

15 SEC. 103. (a) Nothing in this title or in the amend-
16 ments made by this title shall be held or considered to mod-
17 ify, supersede, or otherwise affect the application and oper-
18 ation of section 24 of title 13 of the United States Code,
19 which contains special provisions with respect to the assign-
20 ment, promotion, appointment, detail, and other utilization
21 of nontemporary employees of the Bureau of the Census in
22 the Department of Commerce in temporary positions in con-
23 nection with any census.

24 (b) Nothing in this title or in the amendments made by
25 this title shall be held or considered to modify, change, or

1 otherwise affect any increase in a saved rate of basic com-
2 pensation in accordance with the Federal Employees Salary
3 Increase Act of 1960 (part B of title I of the Act of July
4 1, 1960; 74 Stat. 298; Public Law 86-568).

5 TITLE II—SALARY PROTECTION FOR POSTAL
6 FIELD SERVICE EMPLOYEES

7 PROTECTION OF SALARY STANDING OF POSTAL FIELD
8 SERVICE EMPLOYEES

9 SEC. 201. That part of chapter 45 of title 39 of the
10 United States Code under the heading “Salary Steps and
11 Promotions” is amended by adding at the end thereof the
12 following new section:

13 “§ 3560. Salary protection

14 “(a) As used in this section, the term ‘salary stand-
15 ing’ means—

16 “(1) basic salary and salary level, with respect
17 to the Postal Field Service Schedule (excluding sal-
18 ary levels PFS 17, 18, 19, and 20),

19 “(2) salary for the particular route (including ad-
20 ditional compensation for serving heavily patronized
21 routes), with respect to the Rural Carrier Schedule,
22 and

23 “(3) gross receipts category, with respect to the
24 Fourth-Class Office Schedule.

1 “(b) Subject to the provisions of subsection (c) of this
2 section, each employee—

3 “(1) who at any time on or after July 9, 1960, is
4 or was reduced in salary standing;

5 “(2) who, on the effective date of such reduction
6 in salary standing, holds or held a career appointment
7 or a probational appointment in the postal field service;

8 “(3) whose reduction in salary standing is not or
9 was not caused by a demotion for personal cause, is not
10 or was not at his own request, is not or was not a con-
11 dition of his temporary promotion or temporary assign-
12 ment to a higher salary standing, is not or was not a
13 condition of his temporary appointment, and is not or
14 was not effected in a reduction in force due to lack of
15 funds or curtailment of work;

16 “(4) who, for two continuous years immediately
17 prior to such reduction in salary standing, served in
18 the postal field service with the same salary standing or
19 with the same and higher salary standing; and

20 “(5) whose performance of work at all times during
21 such period of two years is or was satisfactory;

22 shall be entitled, as of the effective date of such reduction
23 in salary standing or as of the first day of the first pay pe-
24 riod which begins on or after the date of enactment of this
25 section, whichever is later, unless or until he is entitled to

1 receive basic salary at a higher rate by reason of the opera-
2 tion of this Act, or until the expiration of a period of two
3 years immediately following the effective date of such re-
4 duction in salary standing or immediately following the
5 first day of such first pay period, as applicable, to receive
6 the rate of basic salary to which he was entitled immediately
7 prior to such reduction in salary standing (including each
8 increase provided by law in such rate of basic salary) so
9 long as he continues in the postal field service without any
10 break in service of one workday or more and is not demoted
11 or reassigned for personal cause, at his own request, or
12 in a reduction in force due to lack of funds or curtailment
13 of work.

14 “(c) The rate of basic salary to which such employee
15 is entitled under subsection (b) of this section with re-
16 spect to each reduction in salary standing to which this
17 section applies shall be the lesser of the following:

18 “(A) the amount of the existing rate of basic
19 salary of the employee immediately prior to the reduc-
20 tion in grade (including each increase provided by
21 law in such rate) ; or

22 “(B) the amount of the rate of the salary level
23 or salary range (including each increase provided by
24 law in such rate) to which the employee is reduced,
25 increased by 25 per centum.

1 “(d) The Postmaster General is authorized to issue
2 regulations to carry out the purposes of this section.

3 “(e) (1) For the purposes of section 3559 (a), the
4 existing basic salary shall be the basic salary which the
5 employee would have received except for the provisions of
6 this section.

7 “(2) For the purposes of section 3544 (h), the basic
8 compensation earned shall be the basic compensation which
9 the employee would have received except for the provi-
10 sions of this section.

11 “(f) For the purposes of this section, the term ‘cur-
12 tailment of work’ does not include—

13 “(1) reductions in class or gross receipts cate-
14 gory of any post office, or

15 “(2) reductions in route mileage for rural carriers.”

16 CONFORMING AMENDMENT

17 SEC. 202. That part of the table of contents of chapter
18 45 of title 39 of the United States Code under the heading
19 “SALARY STEPS AND PROMOTIONS” is amended by in-
20 serting

 “3560. Salary protection.”

21 immediately below

 “3559. Promotions.”.

A BILL

To extend to employees subject to the Classification Act of 1949 the benefits of salary increases in connection with the protection of basic compensation rates from the effects of downgrading actions, to provide salary protection for postal field service employees in certain cases of reduction in salary standing, and for other purposes.

By Mr. LESINSKI

MARCH 16, 1961

Referred to the Committee on Post Office and Civil
Service

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

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For actions of May 15, 1961
87th-1st, No. 30

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HIGHLIGHTS: House committee reported bill to authorize transfer of cotton acreage allotments in disaster areas. House committee reported Labor-HEW appropriation bill. Sen. Fulbright, with others, introduced and discussed bill to authorize transfer of cotton acreage allotments in disaster areas.

HOUSE

1. COTTON. The Agriculture Committee reported with amendment H. R. 7030, to authorize the Secretary of Agriculture to permit producers to transfer to other land their 1961 cotton acreage allotments on lands which cannot be planted because of a natural disaster (H. Rept. 393). p. 7470
2. DELAWARE RIVER BASIN COMPACT. Passed over without prejudice H. J. Res. 225, to grant the consent of Congress to the Delaware River Basin Compact and to enter into such compact on behalf of the U. S. p. 7438
3. PERSONNEL. ~~Passed without amendment H. R. 2554, to repeal section 14(c) of title 6 of the United States Code requiring an annual report by the Secretary of the Treasury with respect to the bonding of officers and employees of the Federal Government. p. 7442~~
~~Passed without amendment H. R. 5432, to make permanent the 1953 cost-of-living increases in annuities payable from the civil service retirement and disability fund. p. 7444~~
The "Daily Digest" states that a Post Office and Civil Service Committee subcommittee ordered reported to the full committee with amendments H. R. 5674, to provide for the protection of basic compensation rates for employees affected by downgrading actions. p. D349

4. PUBLIC LANDS; FORESTRY. Passed, as reported H. R. 6422, to add federally owned lands to, and exclude federally owned lands from, the Cedar Breaks National Monument, Utah (includes Forest Service lands). p. 7443
5. TARIFFS. By a vote of 74 to 6, passed without amendment H. R. 6611, to reduce temporarily the exemption from duty enjoyed by returning residents. pp. 7444-8
6. APPROPRIATIONS. The Appropriations Committee reported without amendment H. R. 7035, making appropriations for the Departments of Labor, and Health, Education and Welfare, and related agencies, for the fiscal year 1962 (H. Rept. 392). p. 7470

SENATE

7. EDUCATION. The Labor and Public Welfare Committee reported with amendments S. 1021, to authorize Federal financial assistance for public school facilities (S. Rept. 255). p. 7393
8. FARM CREDIT. Received the Farm Credit Administration's proposed bill "to amend further the Federal Farm Loan Act and the Farm Credit Act of 1933, as amended, and for other purposes"; to Agriculture and Forestry Committee. p. 7393
9. FARM PROGRAM. Sen. Hickenlooper inserted an article and an editorial discussing former Vice President Nixon's recent speech in Des Moines, "Nixon Charges Farm Deceit: Corn Prices Forced Down, He Contends; Rakes Freeman in Talk at Des Moines," and "Nixon's Criticism of Kennedy." pp. 7403-4
10. PERSONNEL. Sen. Mansfield inserted an article by Sen. Jackson discussing the importance of developing a competent career service in the Federal Government, including better training of candidates for top positions, selection of highly qualified people from private life, and higher salaries for positions at the sub-Cabinet level. He contended that "our Government has been very niggardly in giving civilian officials opportunities for advanced training," and that we "need the finest leadership, the finest planners and the finest administrators our country can produce." pp. 7405-7
11. FOREIGN AFFAIRS. Sen. Wiley inserted several letters in support of his proposal for greater cooperation between the Government and U. S. businessmen abroad in implementing our foreign policy objectives. pp. 7430-2
12. LEGISLATIVE PROGRAM. Sen. Mansfield announced that the consent calendar will be called on Tues. p. 7407

ITEMS IN APPENDIX

13. CONSERVATION. Extension of remarks of Sen. Kefauver, inserting an editorial commending designation of John Wilder as Watershed Man of the Year. p. A3358
14. DEPRESSED AREAS. Extension of remarks of Rep. Edmondson, saying "Under aggressive and enlightened New Frontier leadership, the tremendous area development program just passed by the Congress is off to a flying start ..." p. A3372
Extension of remarks of Rep. Johnson, Wis., inserting Clyde Ellis' speech as to how cooperatives can be used for carrying out rural areas development program. pp. 3379-80

87TH CONGRESS
1ST SESSION

H. R. 7043

IN THE HOUSE OF REPRESENTATIVES

MAY 15, 1961

Mr. LESINSKI introduced the following bill; which was referred to the Committee on Post Office and Civil Service

A BILL

To extend to employees subject to the Classification Act of 1949 the benefits of salary increases in connection with the protection of basic compensation rates from the effects of downgrading actions, to provide salary protection for postal field service employees in certain cases of reduction in salary standing, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 TITLE I—SALARY PROTECTION FOR EMPLOYEES
4 SUBJECT TO CLASSIFICATION ACT OF 1949

5 AMENDMENTS TO CLASSIFICATION ACT OF 1949

6 SEC. 101. (a) Section 507 of the Classification Act of
7 1949, as amended (72 Stat. 830; Public Law 85-737; 5
8 U.S.C. 1107), is amended—

1 (1) by inserting “(including each increase pro-
2 vided by law in such rate of basic compensation)” im-
3 mediately following “to receive the rate of basic com-
4 pensation to which he was entitled immediately prior
5 to such reduction in grade” in subsections (a) and (b)
6 of such section;

7 (2) by striking out “and” in paragraph (3) of such
8 subsection (a);

9 (3) by inserting “and, with respect to each tem-
10 porary promotion occurring on or after the date of enact-
11 ment of this amendment, is not a condition of his tem-
12 porary promotion to a higher grade” immediately
13 before the semicolon at the end of such paragraph (3);
14 and

15 (4) by inserting “(including each increase pro-
16 vided by law in such rate)” immediately following
17 “July 1, 1954”, wherever occurring in subsection (c)
18 of such section, and immediately before the period at
19 the end of such subsection.

20 (b) (1) The amendments made by subparagraphs (1)
21 and (4) of subsection (a) of this section shall become
22 effective as of August 23, 1958.

23 (2) The amendments made by subparagraphs (2) and
24 (3) of such subsection (a) shall become effective on the
25 date of enactment of this Act.

1 RETROACTIVE COMPENSATION ; VALIDATION OF PAYMENTS ;
2 RELATION OF PAYMENTS TO CIVIL SERVICE RETIRE-
3 MENT ACT AND FEDERAL EMPLOYEES' GROUP LIFE
4 INSURANCE ACT OF 1954

5 SEC. 102. (a) (1) Except as otherwise provided in
6 paragraph (2) of this subsection, payments of increases pro-
7 vided by law in rates of basic compensation are hereby
8 authorized, and shall be made, in accordance with the amend-
9 ments made by subparagraphs (1) and (4) of subsection
10 (a) of section 101 of this title to section 507 of the Classi-
11 fication Act of 1949, as amended (5 U.S.C. 1107), and in
12 accordance with other applicable provisions of such section
13 507, as amended, for services to which the provisions of
14 such section 507, as amended, apply and which were ren-
15 dered in the period beginning on the first day of the first pay
16 period commencing after August 23, 1958, and ending at
17 the expiration of two years immediately following the first
18 day of such first pay period, with respect to each individual
19 who, on the date of enactment of this Act, is on any employ-
20 ment roll of the Federal Government or of the municipal
21 government of the District of Columbia, as follows—

22 (A) to such individual for such services so rendered
23 by him, if, on such date of enactment, he (i) is on any
24 such employment roll, (ii) is in the service of the Armed
25 Forces of the United States, or (iii) is retired under any

1 retirement law or retirement system for civilian officers
2 and employees in or under the Federal Government or
3 the municipal government of the District of Columbia;
4 or

5 (B) to the survivor or survivors, in accordance
6 with the Act of August 3, 1950 (Public Law 636,
7 Eighty-first Congress), as amended (5 U.S.C. 61f-
8 61k), of any such individual (for such services so
9 rendered by him) who has died prior to such date of
10 enactment, if, at the time of his death, such individual
11 was (i) on any such employment roll, (ii) in the serv-
12 ice of the Armed Forces of the United States, or (iii)
13 retired under any such retirement law or retirement
14 system.

15 (2) Payments of increases provided by law in rates of
16 basic compensation which were made for services described
17 in paragraph (1) of this subsection and rendered in the
18 period described in such paragraph, and which would have
19 been authorized under the amendments made by subpara-
20 graphs (1) and (4) of subsection (a) of section 101 of
21 this title if such amendments had been in effect at the time
22 such services were rendered in such period, are hereby vali-
23 dated to the same extent as if such amendments had been in
24 effect during such period.

25 (b) (1) Payments of increases described in paragraph

1 (1) of subsection (a) of this section shall not be considered
2 as basic salary for the purposes of the Civil Service Retirement Act (5 U.S.C. 2251–2267) in the case of any retired
3 or deceased individual described in subparagraph (A) or
4 (B) of such paragraph (1).

6 (2) Payments of increases validated by paragraph (2)
7 of such subsection (a) shall be considered as basic salary
8 for purposes of such Act.

9 (c) For the purposes of this section, service in the
10 Armed Forces of the United States, in the case of an indi-
11 vidual relieved from training and service in the Armed
12 Forces of the United States or discharged from hospitaliza-
13 tion following such training and service, shall include the
14 period provided by law for the mandatory restoration of
15 such individual to a position in or under the Federal Gov-
16 ernment or the municipal government of the District of
17 Columbia.

18 (d) (1) Increases in rates of basic compensation author-
19 ized to be paid by paragraph (1) of subsection (a) of this
20 section shall not be held or considered to be annual compen-
21 sation for the purposes of the Federal Employees' Group
22 Life Insurance Act of 1954, as amended (5 U.S.C. 2091–
23 2103).

24 (2) Each change in rate of basic compensation made in

1 the period described in paragraph (1) of subsection (a) of
2 this section by reason of any payment validated by paragraph
3 (2) of such subsection shall be held and considered to be
4 effective for group life insurance purposes under the Federal
5 Employees Group Life Insurance Act of 1954, as amended
6 (5 U.S.C. 2091-2103), as of the first day of the first pay
7 period following the pay period in which the payroll change
8 was approved with respect to such individual.

9 SAVINGS PROVISIONS

10 SEC. 103. (a) Nothing in this title or in the amend-
11 ments made by this title shall be held or considered to mod-
12 ify, supersede, or otherwise affect the application and oper-
13 ation of section 24 of title 13 of the United States Code,
14 which contains special provisions with respect to the assign-
15 ment, promotion, appointment, detail, and other utilization
16 of nontemporary employees of the Bureau of the Census in
17 the Department of Commerce in temporary positions in con-
18 nection with any census.

19 (b) Nothing in this title or in the amendments made by
20 this title shall be held or considered to modify, change, or
21 otherwise affect any increase in a saved rate of basic com-
22 pensation paid in accordance with the Federal Employees
23 Salary Increase Act of 1960 (part B of title I of the Act of
24 July 1, 1960; 74 Stat. 298; Public Law 86-568).

1 TITLE II—SALARY PROTECTION FOR POSTAL
2 FIELD SERVICE EMPLOYEES

3 PROTECTION OF SALARY STANDING OF POSTAL FIELD
4 SERVICE EMPLOYEES

5 SEC. 201. That part of chapter 45 of title 39 of the
6 United States Code under the heading “Salary Steps and
7 Promotions” is amended by adding at the end thereof the
8 following new section:

9 “§ 3560. Salary protection

10 “(a) As used in this section, the term ‘salary stand-
11 ing’ means—

12 “(1) basic salary and salary level, with respect
13 to the Postal Field Service Schedule (excluding sal-
14 ary levels PFS 17, 18, 19, and 20),

15 “(2) salary for the particular route (including ad-
16 ditional compensation for forty hours and under for
17 serving heavily patronized routes), with respect to the
18 Rural Carrier Schedule, and

19 “(3) gross receipts category, with respect to the
20 Fourth-Class Office Schedule.

21 “(b) Subject to the provisions of subsection (c) of this
22 section, each employee—

23 “(1) who at any time on or after the date of
24 enactment of this section is reduced in salary standing;

1 “(2) who, on the effective date of such reduction
2 in salary standing, holds a career appointment or a
3 probational appointment in the postal field service;

4 “(3) whose reduction in salary standing is not
5 caused by a demotion for personal cause, is not at
6 his own request, is not a condition of his temporary
7 promotion or temporary assignment to a higher salary
8 standing, is not a condition of his temporary appoint-
9 ment, and is not effected in a reduction in force due
10 to lack of funds or curtailment of work;

11 “(4) who, for two continuous years immediately
12 prior to such reduction in salary standing, served in
13 the postal field service with the same salary standing or
14 with the same and higher salary standing; and

15 “(5) whose performance of work at all times during
16 such period of two years is satisfactory;

17 shall be entitled, as of the effective date of such reduction
18 in salary standing unless or until he is entitled to receive basic
19 salary at a higher rate by reason of the operation of this
20 section, or until the expiration of a period of two years im-
21 mediately following the effective date of such reduction in
22 salary standing to receive the rate of basic salary to which
23 he was entitled immediately prior to such reduction in salary
24 standing (including each increase provided by law in such

1 rate of basic salary) so long as he continues in the postal
2 field service without any break in service of one workday
3 or more and is not demoted or reassigned for personal cause,
4 at his own request, or in a reduction in force due to lack
5 of funds or curtailment of work.

6 “(c) The rate of basic salary to which such employee
7 is entitled under subsection (b) of this section with re-
8 spect to each reduction in salary standing to which this
9 section applies shall be the lesser of the following:

10 “(A) the amount of the existing rate of basic
11 salary of the employee immediately prior to the reduc-
12 tion in salary standing (including each increase pro-
13 vided by law in such rate) ; or

14 “(B) the amount of the rate of the salary level
15 or salary range (including each increase provided by
16 law in such rate) to which the employee is reduced,
17 increased by 25 per centum.

18 “(d) The Postmaster General is authorized to issue
19 regulations to carry out the purposes of this section.

20 “(e) (1) For the purposes of section 3559 (a), the
21 existing basic salary shall be the basic salary which the
22 employee would have received except for the provisions of
23 this section.

24 “(2) For the purposes of section 3544 (h), the basic

1 compensation earned shall be the basic compensation which
2 the employee would have received except for the pro-
3 visions of this section.

4 “(f) For the purposes of this section, the term ‘cur-
5 tailment of work’ does not include—

6 “(1) reductions in class or gross receipts cate-
7 gory of any post office, or

8 “(2) reductions in route mileage for rural carriers.”

9 CONFORMING AMENDMENT

10 SEC. 202. That part of the table of contents of chapter
11 45 of title 39 of the United States Code under the heading
12 “SALARY STEPS AND PROMOTIONS” is amended by in-
13 serting

“3560. Salary protection.”

14 immediately below

“3559. Promotions.”.

A BILL

To extend to employees subject to the Classification Act of 1949 the benefits of salary increases in connection with the protection of basic compensation rates from the effects of downgrading actions, to provide salary protection for postal field service employees in certain cases of reduction in salary standing, and for other purposes.

By Mr. LESINSKI

MAY 15, 1961

Referred to the Committee on Post Office and Civil
Service

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

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For actions of June 15, 1961
87th-1st, No. 100

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HIGHLIGHTS: Senate committee reported agricultural appropriation bill. Sen. Dirksen introduced and discussed bill to establish rural redevelopment research center.

SENATE

1. AGRICULTURAL APPROPRIATION BILL, 1962. The Appropriations Committee reported with amendments this bill, H. R. 7444 (S. Rept. 394) (p. 9753). Attached to this Digest is a copy of the committee report, which explains the committee actions.
2. ROADS. Passed with amendments H. R. 6713, to provide for completion of the national system of interstate and defense highways. (pp. 9772-80, 9784-9803, 9805, 9807-33). Senate conferees were appointed (p. 9833). Rejected an amendment by Sen. Long, La., which would have made money in the highway trust fund available for forest and public-lands highways obligations (pp. 9829-31).
3. BUDGETING. Sen. Keating stated that he had been informed that the President had requested his staff to study the question of the item veto of appropriation bills and stated that he hoped "that this projected study by the White House will be concluded in the near future and will result in strong and active presidential support for the item veto and for other needed and important reforms in our governmental fiscal machinery." pp. 9770-1

Sen. McClellan inserted and commended a newspaper editorial, "How To Write a Better U. S. Budget," supporting enactment of legislation to provide for the establishment of a congressional Joint Committee on the Budget. pp. 9732-3

4. ECONOMIC CONDITIONS. Sen. Douglas discussed the testimony of the Council of Economic Advisers before the Joint Economic Committee on current economic conditions and the testimony of Dr. Arthur Burns criticizing the position of the Council, and inserted a statement, "An Analysis of Prof. Arthur F. Burns' Critique of the Council's Position." pp. 9833-6
5. PATENTS. Sen. Long, La., inserted an article, "The \$3 Billion a Year Giveaway," criticizing the practice of permitting private patents to industry resulting from research projects financed by the Federal Government. p. 9836
6. LEGISLATIVE PROGRAM. Sen. Humphrey announced that the agricultural appropriation and water pollution control bills will be considered next week, probably on Tues. p. 9845

HOUSE

7. APPROPRIATIONS. The Appropriations Committee was given until midnight tonight, Fri., to file a report on the fourth supplemental appropriation bill, 1961. p. 9703
8. TEXTILES. Rep. Hemphill inserted several articles, "Seeks Finest Youths -- Clemson Unveils Master Textile Education Plan," "A Terminal Case," "Cotton Executive Calls for Textile Import Quotas," and "Unemployment in the Textile Industry." pp. 9734-9
Rep. Sikes said, "It is very important -- I consider it essential -- that the State Department deal adequately with the entire textile import problem, including manmade fiber, filament, and yarn, fabrics and apparel therefrom." pp. 9741-2
9. PUBLIC LANDS. Rep. Mathias said, "The Nation must preserve farm and forest areas to provide areas for future urban expansion ... and to provide watersheds for cities' water supplies. Equally important, yet more difficult to provide, because the need is less obvious, is land for proper and adequate recreation facilities provided by forests and fields." pp. 9734-41
Received from the Interior Department a proposed bill to authorize the classification, segregation, lease, and sale of public land for urban, business and occupancy sites, and to repeal obsolete statutes; to Interior and Insular Affairs Committee. p. 9750
10. INTERNATIONAL TRAVEL. Received the conference report on S. 610, to strengthen the domestic and foreign commerce of the U. S. by providing for the establishment of an Office of International Travel within the Department of Commerce and a Travel Advisory Board (H. Rept. 650). p. 9704, 9750
11. PERSONNEL. ~~The Post Office and Civil Service Committee reported without amendment H. R. 6141, to limit to cases involving the national security the prohibition on payment of annuities and retired pay to officers and employees of the U. S. to clarify the application of such Act (H. Rept. 541). p. 9750~~
The Committee voted to report (but did not actually report) with amendments H. R. 7043, to extend to employees subject to the Classification Act of 1949 the benefits of salary increases in connection with the protection of basic compensation rates from the effects of downgrading actions, to provide salary protection for postal field service employees in certain cases of reduction in salary standing. p. D464

June 22, 1961

12. ROADS. Received the conference report on H. R. 6713, the proposed Federal-Aid Highway Act of 1961 (H. Rept. 564). pp. 10312-3, 10363
13. PERSONNEL. The Post Office and Civil Service Committee reported with amendments H. R. 7043, to extend to employees subject to the Classification Act of 1949 the benefits of salary increases in connection with the protection of downgrading actions (H. Rept. 568). p. 10363
14. REA. Rep. Michel criticized the REA, saying that "millions in public funds are loaned each year by the REA under a cloak of secrecy so complete that the public has no knowledge of amount of detail until the loan is an accomplished fact." pp. 10358-9
15. LEGISLATIVE PROGRAM. Rep. McCormack announced the following legislative program: Mon., bill to increase public-debt limit and conference report on road bill; and Tues., defense department appropriation bill. pp. 10340-1
16. ADJOURNED until Mon., June 26. p. 10363

ITEMS IN APPENDIX

17. HOUSING. Rep. Chipperfield inserted 2 editorials critical of the proposed housing bill. pp. A4693-4, A4706
18. FOREIGN TRADE. Extension of remarks of Rep. Multer inserting a letter favoring the early enactment of legislation to establish the Export Credit Guaranty Corporation. pp. A4709-10
19. LANDS. Extension of remarks of Rep. May inserting an article, "Indian Lands Lie Idle Because of Leasing Snafu." pp. A4710-1
20. PEACE CORPS. Extension of remarks of Rep. Bolton inserting an article, "Peace Corps Switch--Members To Be Fewer, Better Paid and Fed Than Kennedy Indicated--Tasks Often To Be Technical; Other Agencies Claim They Could Do Jobs More Easily--Senate Hearings Open Today." pp. A4712-3
1. RECREATION; NATIONAL PARKS. Extension of remarks of Rep. Price inserting an article, "Mississippi Should Be Included In New Park Expansion Plan." pp. A4725-6
2. TEXTILES. Extension of remarks of Rep. Whitener inserting two articles, "Textile Industry Due for Scuttling?" and "Textile Import Plans Offer No Permanency." pp. A4728-9
3. PATENTS. Extension of remarks of Rep. Kastenmeier commending the appointment of David L. Ladd as Commissioner of Patents and inserting an article, "The Patent Office: An Old Line Agency In A Modern World." pp. A4731-3
4. AUTOMATION. Extension of remarks of Rep. Holland inserting an article discussing the establishment within the Dept. of Labor the new Office of Automation and Manpower and the appointment of Dr. Seymour Wolfbein as the Director. pp. A4736-8

BILLS INTRODUCED

25. LANDS. S. 2138, by Sen. Burdick, to provide that a greater percentage of the income from lands administered by the Fish and Wildlife Service of the Dept. of the Interior be returned to the counties in which such lands are situated; to Commerce Committee.

26. INSECT CONTROL. H. R. 7825, by Rep. Battin, to amend the act of April 6, 1937, as amended, to provide for the effective control of grasshoppers and other insect pests on land idled under the Conservation Reserve Program; to Agriculture Committee.
27. SUGAR. H. R. 7827, by Rep. Breeding, to amend and extend the provisions of the Sugar Act of 1948, as amended; to Agriculture Committee.
28. COCONUT OIL. H. R. 7830, by Rep. Keogh, to make permanent the existing suspensions of the tax on the first domestic processing of coconut oil, palm oil, palm kernel oil, and fatty acids, salts, combinations or mixtures thereof; to Ways and Means Committee.
29. DISASTER RELIEF. H. R. 7832, by Rep. MacGregor; to amend the Soil Bank Act so as to authorize the Secretary of Agriculture to permit the harvest of hay on conservation reserve acreage under certain conditions; to Agriculture Committee.
30. RESEARCH. H. R. 7838, by Rep. Steed, to assist the States to provide additional facilities for research at the State agricultural experiment stations; to Agriculture Committee.
31. PUBLIC LAW 480. H. R. 7839, by Rep. Wallhauser; to amend the Agricultural Trade Development and Assistance Act, and certain other provisions of law, to require consultation with the Secretary of Commerce before commodities are designated surplus agricultural commodities; to Agriculture Committee.

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COMMITTEE HEARINGS ANNOUNCEMENTS:

June 23: Permission to harvest hay on conservation reserve lands, H. Agriculture (exec)(Cox, ASCS, and Coffman, OGC, to testify).
Farm bill, H. Agriculture (exec).
Proposed Youth Opportunities Act (including Youth Conservation Corps), S. Labor
Additional group insurance for Federal employees, S. Civil Service.
Foreign aid bill, H. Foreign Affairs (exec).

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SALARY PROTECTION FOR CLASSIFIED AND POSTAL FIELD SERVICE EMPLOYEES IN CERTAIN CASES IN- VOLVING REDUCTIONS IN SALARY STANDING

JUNE 22, 1961.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. LESINSKI, from the Committee on Post Office and Civil Service,
submitted the following

R E P O R T

[To accompany H.R. 7043]

The Committee on Post Office and Civil Service, to whom was referred the bill (H.R. 7043) to extend to employees subject to the Classification Act of 1949 the benefits of salary increases in connection with the protection of basic compensation rates from the effects of downgrading actions, to provide salary protection for postal field service employees in certain cases of reduction in salary standing, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill, as amended, do pass.

AMENDMENTS

The amendments are as follows:

(1) Page 7, lines 23 and 24, strike out "on or after the date of enactment of this section is reduced" and insert in lieu thereof "on or after July 1, 1961, is or was reduced".

(2) Page 8, line 2, insert the words "or held" immediately following the word "holds".

(3) Page 8, lines 4, 5, 6, 8, and 9, insert the words "or was not" immediately following the words "is not".

(4) Page 8, line 16, insert the words "or was" immediately following the word "is".

(5) Page 8, line 18, immediately following the words "salary standing" insert the following:

or as of the first day of the first pay period which begins on
or after the date of enactment of this section, whichever is
later,

(6) Page 8, line 22, immediately following the words "salary standing" insert the following:

or immediately following the first day of such first pay period, as applicable,

An explanation of the amendments follows the statement in this report.

PURPOSE

The purposes of H.R. 7043 are as follows:

1. To amend the salary retention provisions of section 507 of the Classification Act of 1949 to include statutory salary increases in the retained rates of employees involved in downgradings, including those downgraded prior to January 1958, who were brought under section 507 by Public Law 85-737, approved August 23, 1958;

2. To make ineligible for salary retention protection an employee whose reduction to his existing grade is a condition of his temporary promotion to a higher grade; and

3. To extend to employees in the postal field service the same salary retention protection in cases of downgrading which has been afforded employees under the Classification Act of 1949 since 1956.

STATEMENT

The need for this legislation arises from a ruling by the Comptroller General on September 19, 1960, which held that classified employees who were downgraded prior to January 1958 and who initially were brought under the salary retention protection of section 507 of the Classification Act of 1949 by Public Law 85-737, approved August 23, 1958, were not entitled to have any statutory salary increase added to the rates such employees were entitled to receive under section 507. With the exception of 30 employees in the General Accounting Office, the employees affected by that decision had the statutory salary increases added to their retained rates in accordance with Civil Service Commission instructions issued prior to the Comptroller General's ruling.

Title I of the bill would validate the payments of the statutory salary increase which had been made to such employees and would authorize payment of the statutory increases to the 30 General Accounting Office employees who did not receive them.

Title I of the bill also would amend section 507 of the Classification Act of 1949 to provide for the inclusion of all statutory salary increases in retained rates.

In addition, title I excludes from the salary savings provisions of section 507 of the Classification Act of 1949 an employee who accepts a promotion incident to his assignment to a particular job when such promotion is granted upon the condition that when the temporary assignment is completed he will revert to his former grade.

The remaining provisions of title I of H.R. 7043 are "housekeeping provisions" which relate primarily to appropriate statutory salary increase payments to those employees involved in the General Accounting Office decision who entered the Armed Forces, or retired, or to survivors of such employees.

The need for the enactment of title II of H.R. 7043, which provides salary protection for postal field service employees who are downgraded, was demonstrated during the hearings when it was pointed out that these employees were not afforded the same protection as classified employees. Post Office Department officials agreed and recommended the enactment of title II.

Under present conditions an employee in the postal field service, despite years of faithful and efficient service in a particular job, for example at level 7, may find himself reduced to a level 6 job through absolutely no fault on his part. The reduction, for example, may be due to the reevaluation of the particular job.

Under the provisions of title II of H.R. 7043, an employee whose reduction in salary standing is not or was not caused by a demotion for personal cause, is not or was not at his own request, and is not or was not affected in a reduction in force due to lack of funds or curtailment of work, despite a reduced salary standing will continue to receive the higher pay for a period of 2 years following the effective date of the change in salary standing.

The bill does, however, require that a person must have, immediately prior to a reduction in salary standing, served for 2 continuous years in the postal field service with the same or higher salary standing. Likewise, his work at all times during this 2-year period must have been satisfactory or better than satisfactory.

The bill defines the term "curtailment of work" as not to include—

- (1) reductions in class or gross receipts category of any post office, or
- (2) reductions in route mileage for rural carriers.

The committee believes that in all fairness to postal employees title II is completely justified since it merely provides that postal field service employees shall receive those benefits now accorded classified employees.

EXPLANATION OF AMENDMENTS

The purpose of the amendments heretofore listed is to provide that the effective date of title II of the bill relating to salary protection for postal field service employees shall be July 1, 1961 rather than on the date of enactment.

Amendment No. 1 accomplishes this purpose by striking out the words: "on or after the date of enactment of this section is reduced" on lines 23 and 24 of page 7 and inserting in lieu thereof the words: "on or after July 1, 1961, is or was reduced".

On June 14, 1961, the Postmaster General advised the Committee that the Post Office Department supported an effective date of July 1, 1961, and advised the committee as follows:

Since the date of July 1, 1961, is not retroactive in the full sense, and since postal employees generally have been encouraged by the prospect of early passage of a salary saving bill similar to that afforded employees in positions under the Classification Act, I would have no objection to a provision in title II of H.R. 7043 that it become effective as of July 1, 1961, provided it becomes law during the 1st session of the 87th Congress.

The Post Office Department pointed out that effective July 1, 1961, some postmasters' levels would have to be reduced and that in turn this would cause reductions in the levels of some of their immediate subordinates. The effect of this amendment would be to protect these employees from salary reductions for a period of 2 years beginning July 1, 1961, provided they met the other qualifications contained in title II of the bill explained above.

Amendments 2, 3, 4, 5, and 6 are conforming amendments which are necessary to carry out the policy expressed in amendment No. 1 to clarify the language of title II which is necessary by reason of the change of the effective date to July 1, 1961. All of these amendments were unanimously approved by the committee.

Cost

In view of the fact that most of the classified employees affected by section 507 of the Classification Act of 1949 have received payments for the statutory salary increases, it is estimated that there will be no additional cost involved for payments to such employees. However, with respect to the 30 employees in the General Accounting Office who did not actually receive the statutory salary increases, there will be an additional cost of less than \$22,000.

With respect to the cost of title II of the bill, which relates to employees in the postal field service, the Post Office Department estimates that each year approximately 500 postal employees will benefit from the legislation and that the estimated maximum salary protection will total \$259,000 in fiscal year 1962 and \$518,000 in each fiscal year thereafter since the bill provides for a 2-year period of protection. The committee believes that the cost estimate by the Post Office Department is excessive by reason of the fact that the Department in the normal course of operation will have reassigned many of the downgraded employees to their former position levels before the expiration of the 2-year period. It is believed that these reassignments will result in substantially reducing the cost of this legislation.

REPORTS OF DEPARTMENTS AND AGENCIES

All of the departments and agencies recommended the enactment of H.R. 7043, as amended. The favorable reports of the Civil Service Commission, the Post Office Department, Department of Defense, Department of Justice, Bureau of the Budget, General Accounting Office, and Department of Commerce are as follows:

CIVIL SERVICE COMMISSION,
Washington, D.C., April 21, 1961.

HON. TOM MURRAY,
*Chairman, Committee on Post Office and Civil Service,
House of Representatives.*

DEAR MR. MURRAY: This is in further response to your letter of March 17, 1961, requesting our comments on H.R. 5674, entitled "A bill to extend to employees subject to the Classification Act of 1949 the benefits of salary increases in connection with the protection of basic compensation rates from the effects of downgrading actions, to provide salary protection for postal field service employees in certain cases of reduction in salary standing, and for other purposes."

We were advised by the committee staff that this bill replaces H.R. 4527 so we are not reporting on the latter.

H.R. 5674 would amend the salary retention provisions of the Classification Act and in addition provide similar salary retention benefits for postal field service employees. Title I which amends the Classification Act provisions has two basic purposes. It would amend section 507 so as to provide for the inclusion of statutory salary increases in retained rates, and it would further amend the same section so as to make ineligible for salary retention an employee whose reduction in grade is a condition of his temporary promotion to a higher grade.

The Commission favors enactment of H.R. 5674.

In connection with section 507 as amended by the act of August 23, 1958, the Commission issued instructions for inclusions of the 1955 and 1958 pay increases in the retained rates. It was the Commission's understanding that the act of August 23, 1958, would not deprive employees of the advantage of those statutory increases. Subsequently, however, the Comptroller General ruled that the Commission's interpretation was incorrect and that payments to employees affected were improper. The Commission favors legislation which would relieve the employees concerned of their obligation to repay the Government overpayments which they received in good faith and which were paid to them in accordance with what the Commission believed to be the original intent of the act of August 23, 1958.

While the Commission does not believe adjustment of retained rates by future statutory salary increases is either necessary or desirable, we do not object to that aspect of the bill since, as a practical matter, pay increase legislation has regularly provided for the adjustment of such rates. While the objectives of salary retention could be achieved without adjustment of the retained rate by future statutory salary increases, a provision for such adjustment will cause little change in existing practice if salary increase legislation continues to follow the pattern set in recent years.

Particularly important, we believe, is section 103(b) of the bill which states that nothing in title I of the bill will modify any increase in a retained rate resulting from the Federal Employees Salary Increase Act of 1960. The pay of employees receiving retained rates under section 507 of the Classification Act as amended by the act of August 23, 1958, was increased in accordance with the provisions of the Federal Employees Salary Increase Act of 1960. The rates resulting from application of the adjustment rules of that law are different from those which would be obtained from application of the provisions of section 507 as it would be amended by this bill. In many instances the rates fixed in accordance with the rules of the salary increase act are slightly higher than those which would be obtained from application of section 507 as amended by this bill.

There is one relatively minor provision of the bill which we believe should be changed to make the language agree with what we are confident is the intent. Paragraph (2) of section 102(d) of the bill deals with the effective date of the validated payments for life insurance purposes. We recommend that that paragraph be amended to read as follows:

"Each change in rate of basic compensation made in the period described in paragraph (1) of subsection (a) of this section by reason

of any payment validated by paragraph (2) of such subsection shall be held and considered to be effective for group life insurance purposes as of the first day of the first pay period following the pay period in which the payroll change was approved with respect to such individual."

The bill as written refers to the effective date for life insurance purposes prescribed for increases effected by the Federal Employees Salary Increase Act of 1958. This is inappropriate since the retained rates prescribed by the act of August 23, 1958, became effective for group life insurance purposes at the time prescribed by section 3 of that act.

The Commission favors that provision of H.R. 5674 which would make ineligible for salary retention employees whose reduction in grade is a condition of temporary promotion to a higher grade. In our opinion, an employee who receives a temporary promotion with full knowledge of its temporary nature and of his expected return to the lower grade position, should not be entitled to salary retention benefits. These benefits were intended to alleviate the hardships resulting from unexpected demotions. They were not intended to result in additional pay to employees who accept promotions with the expectation of future demotions.

While the proposed amendment relating to temporary promotions should affect only a relatively small number of employees, because salary retention now applies only to employees who have occupied the higher grade position for a period of 2 years, it is desirable in order that such temporary promotions of longer duration as are made will not confer salary retention benefits. It will be imperative in the application of this provision that departments and agencies have a clear understanding with employees as to the effect on salary retention benefits of any temporary promotions effected.

Title II of the bill provides salary retention for postal field service employees. Since salary retention is provided for Classification Act employees, it seems only fair to afford the same protection to postal field service employees. The Commission, accordingly, favors salary retention for postal employees in principle but defers to the Post Office Department with respect to the detailed provisions of title II.

The Bureau of the Budget advises that from the standpoint of the administration's program there is no objection to the submission of this report.

Sincerely yours,

JOHN W. MACY, Jr., *Chairman*
(By direction of the Commission).

OFFICE OF THE POSTMASTER GENERAL,
Washington, D.C., April 21, 1961.

HON. TOM MURRAY,
Chairman, Committee on Post Office and Civil Service,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Reference is made to your request for a report on H.R. 5674, a bill to extend to employees subject to the Classification Act of 1949 the benefits of salary increases in connection with the protection of basic compensation rates from the effects of downgrading actions, to provide salary protection for postal field

service employees in certain cases of reduction in salary standing, and for other purposes.

The bill is divided into two titles. Title I makes certain technical changes in section 507 of the Classification Act of 1949, as amended by Public Law 85-737 (5 U.S.C. 1107).

Title II of the proposed bill would extend to employees of the postal field service the same salary protection rights as now enjoyed by employees under the Classification Act of 1949 (5 U.S.C. 1107).

It is estimated that the cost of title II will approximate \$918,000 during the fiscal year 1962. For fiscal year 1963 an additional cost of approximately \$459,000 will be incurred because of coverage extended to employee changes to lower levels of basic salary on and after July 9, 1960, or a total cost through fiscal year 1963 of \$1,377,000. Cost for subsequent fiscal years should be maintained at approximately \$918,000 under current salary levels.

The proposed bill would protect the full amount of any heavy-duty allowance being received by a rural carrier. Under the Department's regulations, any amount in excess of that provided for 40-hour routes is considered premium compensation. It is believed that retention of the excess amount is not consistent with the basic purposes of the bill. By inserting the phrase, "for 40 hours and under" following the word "compensation" in line 20, page 7, protection equal to that of city carriers in PFS-4 would be afforded to rural carriers serving heavily patronized routes.

Title II of the bill provides for retroactive application to July 9, 1960. The selection of this date would increase costs and require a comprehensive review of personnel actions during the past year. The Department sees no reason to depart from the general proposition that employee benefits should not be made retroactive. Accordingly, it is recommended that title II be amended to take effect upon enactment of the legislation.

Subject to the above amendments, the Department favors enactment of H.R. 5674.

We have been advised by the Bureau of the Budget that from the standpoint of the administration's program there is no objection to the presentation of this report to the committee.

Sincerely yours,

J. EDWARD DAY, *Postmaster General.*

OFFICE OF THE POSTMASTER GENERAL,
Washington, D.C., April 27, 1961.

HON. TOM MURRAY,
*Chairman, Committee on Post Office and Civil Service,
House of Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN: Based on additional data obtained from field sources on the probable costs which H.R. 5674 might incur the amounts cited in my letter of April 21, 1961, should be amended. It would be appreciated if you would substitute the following for paragraph 4 of my letter of April 21, 1961, to you:

Each year approximately 500 employees will benefit from the protection of title II. This will result in a maximum first-year cost estimated at \$259,000. If the retroactive features of the bill become

law, this maximum salary protection will total an estimated \$518,000 in fiscal 1962 and \$770,000 in fiscal 1963. If the retroactive provision should be dropped the estimated maximum salary protection will total \$259,000 in fiscal 1962 and \$518,000 in each fiscal year thereafter since the bill provides for a 2-year period of protection. It has been the Department's policy to exhaust all practical possibilities of reassignment before reductions are made. To the extent reassignment of promotion actions become possible before expiration of the 2-year period there would be no costs.

Sincerely yours,

J. EDWARD DAY, *Postmaster General.*

OFFICE OF THE POSTMASTER GENERAL,
Washington, D.C., June 14, 1961.

HON. TOM MURRAY,
*Chairman, Committee on Post Office and Civil Service,
House of Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN: Your letter of June 3, 1961, asked for my comments on the proposal submitted by the National Association of Postmasters of the United States to amend title II of H.R. 7043 to include an effective date of July 1, 1961. H.R. 7043 will provide certain protection to the salaries of employees whose positions have been reduced in salary level.

In my earlier letter to you on H.R. 5674, the predecessor of H.R. 7043, I noted that I favored enactment of salary protection legislation. In addition, Mr. R. Murphy the Assistant Postmaster General, Bureau of Personnel, testified on behalf of the bill. Apparently, H.R. 7043 was drafted to reflect the two items in H.R. 5674 to which we objected: (1) the retroactive features of the bill, and (2) application of the bill to any amount of heavy duty allowance granted to rural carriers.

The proposal of the National Association of Postmasters of the United States is that an effective date of July 1, 1961, be included among the provisions of H.R. 7043. H.R. 5674 would have been effective July 10, 1960. In considering H.R. 5674 in April 1961, the date of July 10, 1960, seemed quite inappropriate. It would have covered a period of settled salary adjustments. For that reason, I could not agree to retroactive application realizing, in addition, that by the time the bill became law it might well be the middle of 1961.

The date of July 1, 1961, however, represents quite another matter. It is a date in the future and if the bill should become law during this session of Congress, it will not be too far in the past to become an administrative burden. Further, as stated in your letter, we are now well into our annual salary level review of postmasters. Some postmasters' levels will have to be reduced. This, in turn, will cause reductions in the levels of some of their immediate subordinates.

Since the date of July 1, 1961, is not retroactive in the full sense, and since postal employees generally have been encouraged by the prospect of early passage of a salary saving bill similar to that afforded employees in positions under the Classification Act, I would have no objection to a provision in title II of H.R. 7043 that it become effective as of July 1, 1961, provided it becomes law during the 1st session of the 87th Congress.

We have been advised by the Bureau of the Budget that from the standpoint of the administration's program there is no objection to the presentation of this report to the committee.

Sincerely yours,

J. EDWARD DAY, *Postmaster General.*

GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE,
Washington, D.C., April 25, 1961.

HON. TOM MURRAY,
*Chairman, Committee on Post Office and Civil Service,
House of Representatives.*

DEAR MR. CHAIRMAN: Reference is made to your request for the views of the Department of Defense on H.R. 5674, 87th Congress, a bill to extend to employees subject to the Classification Act of 1949 the benefits of salary increases in connection with the protection of basic compensation rates from the effects of downgrading actions, to provide salary protection for postal field service employees in certain cases of reduction in salary standing and for other purposes.

Section 507 of the Classification Act of 1949, as amended, was further amended by the act of August 23, 1958 (72 Stat. 830; Public Law 85-737) to provide that under certain circumstances an employee whose reduction in grade is not caused by a demotion for personal cause, is not or was not at his own request, and is not or was not affected in a reduction-in-force due to a lack of funds or curtailment of work, is entitled to receive for a period of 2 years, the "rate of basic compensation to which he was entitled immediately prior to such reduction in grade" while he remains without a break in service in the same department.

Some employees, whose salaries were being saved as a result of this provision, were given the benefit of subsequent increases in their "rate of basic compensation" provided by Federal pay increase legislation. The Comptroller General, in decision B-138625 of September 19, 1960, ruled that these employees were not entitled to such increases.

The purpose of sections 101 and 102 of H.R. 5674 is to amend section 507 of the Classification Act of 1949 to provide that employees entitled to its salary-savings provisions will be entitled to any increases provided by law in their saved rate of basic compensation; validate any such payments which have been made; require retroactive payments to those employees affected who were not given the increases provided by this bill; and provide for the proper treatment of these payments in relation to the Civil Service Retirement Act and the Federal Employees Group Life Insurance Act of 1954.

In addition, section 101(a)(3) of H.R. 5674 would provide that the salary-savings provision of section 507 of the Classification Act of 1949 will not apply to an employee whose reduction in grade occurs as a condition of his previous "temporary" promotion. Section 103 and title II of the bill do not apply to the Department of Defense.

The sections of H.R. 5674 which apply to the Department of Defense would eliminate inequities resulting from the current language in section 507 of the Classification Act of 1949 and would provide needed administrative flexibility in regard to salary saving for employees given temporary promotions. Therefore, the Department of Defense favors enactment of those sections of H.R. 5674.

The Bureau of the Budget advises that, from the standpoint of the administration's program, there is no objection to the presentation of this report for the consideration of the committee.

Sincerely yours,

CYRUS R. VANCE.

DEPARTMENT OF JUSTICE,
OFFICE OF THE DEPUTY ATTORNEY GENERAL,
Washington, D.C., April 26, 1961.

Hon. TOM MURRAY,
Chairman, Committee on Post Office and Civil Service,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: It is requested that this report be substituted for the Department's report of April 21, 1961, on H.R. 5674, a bill to extend to employees subject to the Classification Act of 1949 the benefits of salary increases in connection with the protection of basic compensation rates from the effects of downgrading actions, to provide salary protection for postal field service employees in certain cases of reduction in salary standing, and for other purposes.

Under section 507 of the Classification Act of 1949 as amended (5 U.S.C. 1107), generally a Government employee who has held a grade for 2 or more years and who at any time after June 17, 1956, is reduced in grade is entitled to receive for 2 years thereafter the rate of basic compensation which he had received in the higher grade. There are certain exceptions to this rule.

The bill would, among other things, add a new exception. An employee who is given a conditional temporary promotion to a higher grade after enactment of this amendment, with the understanding that he subsequently will be returned to his former assignment and grade will not have the benefit of the higher salary for the 2 years thereafter, even though he may have held the higher grade in excess of 2 years. Such employee would be reduced in salary at the time he is returned to his former grade.

The Department favors enactment of this provision. With regard to the remaining provisions of H.R. 5674, these are matters for which the Department of Justice does not have primary responsibility and the Department prefers not to comment thereon.

The Bureau of the Budget has advised that there is no objection to the submission of this report from the standpoint of the administration's program.

Sincerely yours,

BYRON R. WHITE,
Deputy Attorney General.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., April 21, 1961.

Hon. TOM MURRAY,
Chairman, Committee on Post Office and Civil Service,
House of Representatives, Washington, D.C.

MY DEAR MR. CHAIRMAN: Reference is made to your recent request for the views of the Bureau of the Budget respecting H.R. 5674, to extend to employees subject to the Classification Act of 1949 the bene-

fits of salary increases in connection with the protection of basic compensation rates for the effects of downgrading actions, to provide salary protection for postal field service employees in certain cases of reduction in salary standing, and for other purposes, which we understand supersedes H.R. 4527.

Title I of H.R. 5674 would make two changes in the provisions of section 507 of the Classification Act of 1949 respecting retained pay in cases of downgrading: (1) Grade reductions following temporary promotions would be expected, prospectively, from its retained pay benefits; and (2) statutory pay increases following downgrading would be added to the retained pay rate. Title II would establish in the postal field service a pay retention system in downgrading actions similar to that provided by section 507 of the Classification Act of 1949, retroactively effective as of July 9, 1960.

Title I would also correct a situation arising out of recent pay increase acts, where specific provision has been made for increases to employees in retained rates, and where the absence of specific authorization in the 1958 amendment of section 507 has caused considerable administrative difficulty.

Both titles I and II of the subject bill make provision for adding statutory pay increases to the retained rates of employees downgraded, where such increases are enacted after the downgrading. Both titles exclude downgradings following temporary promotions from the scope of the retained pay benefit. This provision has been recommended both by the Civil Service Commission and the Department of Justice for the Classification Act, and by the Post Office Department for the Postal Pay Act.

The title II provision inaugurating a pay retention system for postal employees would be retroactively effective as of July 9, 1960. Retroactive application of benefits can be endorsed only where required for correction of an inequity, or in rare cases as a compassionate measure. Neither element is present in this case and we are aware of no other justification. Any retroactive effective date discriminates against some employees. Prospective application insures that all employees benefit equally.

Accordingly, the Bureau of the Budget recommends deletion of the words "on or after July 9, 1960," in line 3, page 8, and substitution of the words "after the date of enactment of this section * * *." As so amended, the Bureau of the Budget would have no objection to enactment of H.R. 5674.

Sincerely yours,

PHILLIP S. HUGHES,
Assistant Director for Legislator Reference.

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., March 28, 1961.

HON. TOM MURRAY,
*Chairman, Committee on Post Office and Civil Service,
House of Representatives.*

DEAR MR. CHAIRMAN: Your letter of March 17, 1961, acknowledged March 20, requests our report upon H.R. 5674.

We understand that title I of the bill is designed to accomplish four general purposes. First, it would provide permanent authority for

increasing saved salary rates when general statutory pay increases are enacted.

Second, it would validate payments of saved salary made to certain employees who were downgraded prior to the effective date of the Federal Employees Salary Increase Act of 1958. Those payments were made in accordance with an erroneous instruction issued by the Civil Service Commission purportedly authorizing the computation of saved salary of the employees involved upon the increases enacted in the 1958 salary increase act. In our decision of September 19, 1960, B-138625, we held that the saved salary of such employees could not lawfully be based upon the 1958 statutory salary increases. A copy of that decision is enclosed.

Third, it would provide equal treatment for those Government employees who were downgraded prior to the effective date of the 1958 salary increase act but who did not have their saved salaries computed upon the increases provided by that act. Retroactive compensation would be authorized for the persons in that group in order that they too would have the 1958 salary increases included in their saved rates. As far as we know there are only some 30 employees of the General Accounting Office who would be included in that group and we estimate that the aggregate amount of retroactive compensation to which they would be entitled under the bill would be less than \$22,000.

Finally, it would exclude from salary savings protection an employee who accepts a promotion incident to his assignment to a particular job when such promotion is granted with the understanding and upon the condition that when the job to which he is assigned is completed he will revert back to his former grade.

We offer no objection to the basic objectives of title I. However, the term "temporary promotion" appearing in paragraph 3 of section 101(a)—lines 15 and 16, page 2—apparently would include every promotion that is made upon the condition that the employee will revert to his former grade—without salary savings protection—upon completion of the assignment for which he is promoted, regardless of the duration of such assignment which conceivably could last for many years. If your committee contemplates that the word "temporary" be construed to limit the period for which such a conditional promotion can be used to deny salary savings protection, then we recommend that your intent be clarified in the bill or at least in your committee's report thereon.

Apparently, the word "paid" should be inserted after the word "compensation" ending on line 2, page 7, of the bill.

The general effect of title II of the bill is to grant salary savings protection to employees in the postal field service on a basis reasonably comparable with that upon which such protection is afforded employees subject to the Classification Act. Since the extension of salary savings protection to postal field service employees involves a matter of policy for determination by the Congress, we offer no recommendation concerning the merits of this title.

As a technical matter we think that the word "chapter" should be substituted for the word "act" appearing on line 2, page 9, of the bill.

Sincerely yours,

JOSEPH CAMPBELL,
Comptroller General of the United States.

THE SECRETARY OF COMMERCE,
Washington, D.C., April 28, 1961.

HON. TOM MURRAY,
*Chairman, Committee on Post Office and Civil Service,
House of Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN: This is in reply to your request of March 17, 1961, for the views of this Department on H.R. 5674, a bill to extend to employees subject to the Classification Act of 1949 the benefits of salary increases in connection with the protection of basic compensation rates from the effects of downgrading actions, to provide salary protection for postal field service employees in certain cases of reduction in salary standing, and for other purposes.

H.R. 5674 amends section 507 of the Classification Act of 1949, as amended, to authorize the inclusion of increases provided by law in rates of basic compensation in the case of employees who are receiving saved rates of compensation. Provision is also made for validating payments of such increases made to employees during the 2-year period beginning on the first day of the first pay period commencing after August 23, 1958.

H.R. 5674 also amends section 507(a) of the Classification Act of 1949, as amended, to exclude from eligibility for a saved rate of compensation those employees whose reduction in grade after a temporary promotion is a condition of their temporary promotion to a higher grade. This exclusion, in our judgment, is desirable. The application of the salary savings provision to such employees is obviously inconsistent with the purpose of temporary promotions, inasmuch as it is contemplated that the employees will revert to their previous grade level and salary, or to an intermediate grade level and salary, on a permanent basis, upon completion of their temporary assignment to the higher grade position.

We recommend enactment of the bill with one minor amendment, as indicated below.

We do not understand the basis for the provision in section 102(d)(2) of the bill concerning the effective date of changes in basic compensation for group life insurance purposes. Section 102(d)(2) is as follows:

"Each change in rate of basic compensation made in the period described in paragraph (1) of subsection (a) of this section by reason of any payment validated by paragraph (2) of such subsection shall be held and considered to be effective as of the effective date prescribed for changes in rates of compensation for group life insurance purposes by section 17(d) of the Federal Employees Salary Increase Act of 1958 (72 Stat. 216; Public Law 85-462)."

Section 17(d) of the Federal Employees Salary Increase Act of 1958 provides that—

"For the purpose of determining the amount of insurance for which an individual is eligible under the Federal Employees' Group Life Insurance Act of 1954, all changes in rates of compensation or salary which result from the enactment of this Act shall be held and considered to be effective as of the date of such enactment."

The Federal Employees Salary Increase Act of 1958 was approved June 20, 1958. The relationship between that date and the effective date (first day of the first pay period commencing after August 23, 1958) of increases in compensation authorized by Public Law 85-737

(72 Stat. 830; 5 U.S.C. 1107) is not apparent. We, therefore, recommend that section 102 (d)(2) be amended to read as follows:

"Each change in rate of basic compensation made in the period described in paragraph (1) of subsection (1) of this section by reason of any payment validated by paragraph (2) of such subsection shall be held and considered to be effective as of the first day of the first pay period following the pay period in which the payroll change was approved with respect to such individual."

With the inclusion of the above change, we recommend enactment of H.R. 5674.

We have been advised by the Bureau of the Budget that there would be no objection to the submission of this report to your committee.

Sincerely yours,

EDWARD GUDEMAN,
Under Secretary of Commerce.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, existing law in which no change is proposed is shown in roman):

SECTION 507 OF THE CLASSIFICATION ACT OF 1949, AS AMENDED

SEC. 507. (a) Subject to the limitation contained in subsection (c) of this section, each officer or employee subject to this Act—

(1) who at any time after June 17, 1956, is or was reduced in grade from any grade of a basic compensation schedule of this Act (other than grade 16, 17, or 18 of the General Schedule);

(2) who, on the effective date of such reduction in grade, holds or held a career or career-conditional appointment in the competitive civil service or an appointment of equivalent tenure in the excepted service or holds or held a position outside the competitive civil service and the excepted service as an officer or employee of the Library of Congress, of the Architect of the Capitol, of the Botanic Garden, or of the municipal government of the District of Columbia;

(3) whose reduction in grade is not or was not caused by a demotion for personal cause, is not or was not at his own request, **[and]** is not or was not effected in a reduction in force due to lack of funds or curtailment of work *and, with respect to each temporary promotion occurring on or after the date of enactment of this amendment, is not a condition of his temporary promotion to a higher grade;*

(4) who, for two continuous years immediately prior to such reduction in grade, served (A) in the same department and (B) in the same grade or in the same and higher grades; and

(5) whose performance of work at all times during such period of two years is or was satisfactory or better than satisfactory, shall be entitled, as of the effective date of such reduction in grade or as of the first day of the first pay period which begins after the date of enactment of this amendment, whichever is later, unless or

until he is entitled to receive basic compensation at a higher rate by reason of the operation of this Act, or until the expiration of a period of two years immediately following the effective date of such reduction in grade or immediately following the first day of such first pay period, as applicable, to receive the rate of basic compensation to which he was entitled immediately prior to such reduction in grade (*including each increase provided by law in such rate of basic compensation*) so long as he continues in the same department without any break in service of one workday or more and is not demoted or reassigned for personal cause, at his own request, or in a reduction in force due to lack of funds or curtailment of work.

(b) Subject to the limitation contained in subsection (c) of this section, each officer or employee subject to this Act—

(1) who, during the period beginning July 1, 1954, and ending June 17, 1956, was reduced in grade from any grade of a basic compensation schedule of this Act (other than grade 16, 17, or 18 of the General Schedule);

(2) whose reduction in grade was not caused by a demotion for personal cause, was not at his own request, and was not effected in a reduction in force due to lack of funds or curtailment of work;

(3) who, for two continuous years immediately prior to such reduction in grade, served (A) in the same department and (B) in the same grade or in the same and higher grades;

(4) whose performance of work at all times during such period of two years was satisfactory or better than satisfactory; and

(5) whose employment in the same department has been continuous since such reduction in grade and who, since such reduction in grade, has not been demoted or reassigned for personal cause, at his own request, or in a reduction in force due to lack of funds or curtailment of work,

shall be entitled, as of the first day of the first pay period which begins after the date of enactment of this amendment, unless or until he is entitled to receive basic compensation at a higher rate by reason of the operation of this Act, or until the expiration of a period of two years immediately following the first day of such first pay period, as applicable, to receive the rate of basic compensation to which he was entitled immediately prior to such reduction in grade (*including each increase provided by law in such rate of basic compensation*) so long as he continues in the same department without any break in service of one workday or more and is not demoted or reassigned for personal cause, at his own request, or in a reduction in force due to lack of funds or curtailment of work.

(c) The rate of basic compensation to which such officer or employee is entitled under subsection (a) or (b) of this section with respect to each reduction in grade to which this section applies shall not exceed the sum of (1) the minimum scheduled rate of the grade to which he is reduced under each such reduction in grade occurring on or after July 1, 1954, (*including each increase provided by law in such rate*) and (2) the difference between his rate immediately prior to the first of such reductions in grade occurring on or after July 1, 1954, (*including each increase provided by law in such rate*) and the minimum scheduled rate of that grade which is three grades lower than

the grade from which he was reduced under the first of such reductions in grade (*including each increase provided by law in such rate*).

(d) The Civil Service Commission is authorized to issue regulations to carry out the purposes of this section.

THAT PART OF CHAPTER 45 OF TITLE 39 OF THE UNITED STATES CODE UNDER THE HEADING "SALARY STEPS AND PROMOTIONS"

CHAPTER 45—COMPENSATION IN THE POSTAL FIELD SERVICE

* * * * *

SALARY STEPS AND PROMOTIONS

- 3551. Appointments to positions in the postal field service.
- 3552. Automatic advancement by step-increases.
- 3553. Creditable service for advancement.
- 3554. Compensation of certain temporary employees.
- 3555. Reduction in salary step.
- 3556. Automatic advancement withheld.
- 3557. Automatic advancement of substitute employee deferred.
- 3558. Longevity step increases.
- 3559. Promotions.
- 3560. *Salary protection.*

* * * * *

SALARY STEPS AND PROMOTIONS

§ 3551. Appointments to positions in the postal field service

(a) The Postmaster General may appoint any person who has been employed in a civilian capacity in any branch of the Government to any position in a regional or district office or to any professional or scientific position and may place him in any step in the salary level of the Postal Field Service Schedule which is less than one full step above the highest basic salary which he received from the United States.

(b) The Postmaster General may appoint any employee of the legislative branch whose compensation is disbursed by the Secretary of the Senate or the Clerk of the House of Representatives, and who has completed two or more years of service as such an employee, to any position in the postal field service and may fix his initial rate of compensation at the minimum rate of the appropriate level of the basic salary schedule applicable to the position, or at any step of that level that does not exceed the highest previous rate of compensation received by him during his service in the legislative branch.

§ 3552. Automatic advancement by step increases

(a) Except as to a substitute employee in the Postal Transportation Service whose position is allocated to salary level PFS-5 as a distribution clerk in a railway or highway post office, each employee whose position is allocated to the Rural Carrier Schedule, the Fourth Class Office Schedule, or the Postal Field Service Schedule, who has not reached the highest step for his position, shall be advanced successively to the next higher step for his position at the beginning of the first pay period following the completion of each fifty-two calendar

weeks of satisfactory service, if no equivalent increase in basic salary from any cause was received during the period of fifty-two calendar weeks. The benefit of successive step-increases shall be preserved, under regulations prescribed by the Postmaster General, for employees whose continuous service is interrupted by service in the Armed Forces.

(b) Each substitute employee in the Postal Transportation Service, whose position is allocated to salary level PFS-5 as a distribution clerk in a railway or highway post office, shall be advanced in the manner prescribed for other employees under subsection (a) of this section, but may not be advanced beyond step four of salary level PFS-5.

§ 3553. Creditable service for advancement

Each employee in the postal field service is eligible to earn step-increases in accordance with this chapter. Except for temporary rural carriers serving in the absence of regular rural carriers on leave without pay or on military leave, credit may not be allowed for time on the rolls under a temporary appointment for one year or less unless the time on the rolls is continuous to the date of appointment to a position of unlimited duration.

§ 3554. Compensation of certain temporary employees

Temporary employees hired for a continuous period of one year or less for a position under the Postal Field Service Schedule shall be paid a basic salary at the entrance step for the salary level of the position to which they are appointed.

§ 3555. Reduction in salary step

The Postmaster General may reduce in salary step clerks or carriers whose efficiency falls below a fair standard or whenever it is necessary for purposes of discipline. At the beginning of any pay period commencing ninety days after a reduction in salary of such an employee, the Postmaster General may restore him to his former salary or advance him to an intermediate salary. That action is not regarded as an "equivalent increase in basic salary."

§ 3556. Automatic advancement withheld

At the beginning of any pay period commencing ninety days after the withholding of an automatic advancement of an employee for unsatisfactory service, the Postmaster General may advance him, on evidence that his record has been satisfactory during the intervening period.

§ 3557. Automatic advancement of substitute employee deferred

The Postmaster General shall defer the automatic promotion of a substitute employee who is absent on leave without pay and not available for duty for ninety days or more during a calendar year in proportion to the time the employee is absent on leave without pay.

§ 3558. Longevity step increases

(a) There are established for each employee longevity steps A, B, and C. For each promotion to a longevity step—

(1) each postmaster at a post office of the fourth class shall receive an amount equal to 5 per centum of his basic salary, or \$100 per annum, whichever is the lesser, and

(2) each employee, other than a postmaster at a post office of the fourth class, shall receive \$100 per annum.

In computing the percentage increase under this subsection the amount of the increase shall be rounded to the nearest dollar. A half dollar or one half cent shall be rounded to the next highest dollar or cent, respectively.

(b) Each employee shall be assigned to—

(1) longevity step A at the beginning of the pay period following the completion of thirteen years of service;

(2) longevity step B at the beginning of the pay period following the completion of eighteen years of service; and

(3) longevity step C at the beginning of the pay period following the completion of twenty-five years of service.

(c)(1) There shall be credited, for the purposes of subsection (b) time on the rolls—

(A) in the postal field service or in the Post Office Department, except time on the rolls as a substitute rural carrier;

(B) in the custodial service of the Department of the Treasury continuous to the date of the transfer of the employee to the custodial service of the Post Office Department in accordance with Executive Order Numbered 6166, dated June 10, 1933;

(C) as a special delivery messenger at a first class post office;

(D) as a clerk in a third class post office for which payment is made from authorized allowances;

(E) under the Postal Accounts Division, including time on the rolls under the former Post Office Department Division, in the General Accounting Office continuous to the date of the transfer of the employee to the Post Office Department in accordance with section 7 (a) of the Post Office Department Financial Control Act of 1950; and

(F) in the Panama Canal Zone postal service.

(2) In determining longevity credit for the purposes of subsection (b) in the case of an employee whose continuous service in the postal field service or in the departmental service of the Post Office Department is interrupted by service with the Armed Forces or to comply with a transfer during war or national emergency as defined by the United States Civil Service Commission, time engaged in that service with the Armed Forces or on the transfer shall be credited pro rata for each week of the service. Service specified in this subsection, whether continuous or intermittent, shall be credited on the basis of one week for each whole week the employee has been on the rolls, except that credit may not be allowed for time on the rolls under a temporary appointment for one year or less unless the time on the rolls is continuous to the date of appointment to a position of unlimited duration.

(d) Increases under this section are not equivalent increases within the meaning of section 3552 of this title.

(e) Payment of longevity compensation may not be made by reason of clause (F) of subsection (c) (1) of this section, for any period prior to September 6, 1958.

§ 3559. Promotions

(a) An employee who is promoted or transferred to a position in a higher salary level of the Postal Field Service Schedule shall

be paid basic salary at the lowest step of the higher salary level which exceeds his existing basic salary by not less than the amount of difference between the entrance step of the salary level from which promoted and the entrance step of the salary level immediately above the salary level from which promoted. If there is no step in the salary level to which the employee is promoted which exceeds his existing basic salary by at least the amount of the difference, the employee shall be paid (1) the maximum step of the salary level to which promoted, or (2) his existing basic salary, whichever is higher.

(b) Regular clerks and carriers in first and second class post offices are not eligible for promotion to positions of higher salary levels in their respective offices unless they are in the maximum steps of their respective salary levels. If for any reason clerks and carriers in the maximum steps are not available those clerks and carriers in the lower steps in the offices are eligible for the promotion.

§ 3560. *Salary protection*

(a) *As used in this section, the term "salary standing" means—*

(1) *basic salary and salary level, with respect to the Postal Field Service Schedule (excluding salary levels PFS 17, 18, 19, and 20),*

(2) *salary for the particular route (including additional compensation for forty hours and under for serving heavily patronized routes), with respect to the Rural Carrier Schedule, and*

(3) *gross receipts category, with respect to the Fourth-Class Office Schedule.*

(b) *Subject to the provisions of subsection (c) of this section, each employee—*

(1) *who at any time on or after the date of enactment of this section is reduced in salary standing;*

(2) *who, on the effective date of such reduction in salary standing, holds a career appointment or a probational appointment in the postal field service;*

(3) *whose reduction in salary standing is not caused by a demotion for personal cause, is not at his own request, is not a condition of his temporary promotion or temporary assignment to a higher salary standing, is not a condition of his temporary appointment, and is not effected in a reduction in force due to lack of funds or curtailment of work;*

(4) *who, for two continuous years immediately prior to such reduction in salary standing, served in the postal field service with the same salary standing or with the same and higher salary standing; and*

(5) *whose performance of work at all times during such period of two years is satisfactory;*

shall be entitled, as of the effective date of such reduction in salary standing unless or until he is entitled to receive basic salary at a higher rate by reason of the operation of this section, or until the expiration of a period of two years immediately following the effective date of such reduction in salary standing to receive the rate of basic salary to which he was entitled immediately prior to such reduction in salary standing (including each increase provided by law in such rate of basic salary) so long as he continues in the postal field service without any break in service of one work-day or more and is not demoted or reassigned for personal cause, at his own request, or in a reduction in force due to lack of funds or curtailment of work.

(c) *The rate of basic salary to which such employee is entitled under subsection (b) of this section with respect to each reduction in salary standing to which this section applies shall be the lesser of the following:*

(A) the amount of the existing rate of basic salary of the employee immediately prior to the reduction in salary standing (including each increase provided by law in such rate); or

(B) the amount of the rate of the salary level or salary range (including each increase provided by law in such rate) to which the employee is reduced, increased by 25 per centum.

(d) *The Postmaster General is authorized to issue regulations to carry out the purposes of this section.*

(e)(1) *For the purposes of section 3559(a), the existing basic salary shall be the basic salary which the employee would have received except for the provisions of this section.*

(2) *For the purposes of section 3544(h), the basic compensation earned shall be the basic compensation which the employee would have received except for the provisions of this section.*

(f) *For the purposes of this section, the term "curtailment of work" does not include—*

(1) reductions in class or gross receipts category of any post office, or

(2) reductions in route mileage for rural carriers.



87TH CONGRESS
1ST SESSION

H. R. 7043

[Report No. 568]

IN THE HOUSE OF REPRESENTATIVES

MAY 15, 1961

Mr. LESINSKI introduced the following bill; which was referred to the Committee on Post Office and Civil Service

JUNE 22, 1961

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

A BILL

To extend to employees subject to the Classification Act of 1949 the benefits of salary increases in connection with the protection of basic compensation rates from the effects of downgrading actions, to provide salary protection for postal field service employees in certain cases of reduction in salary standing, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 TITLE I—SALARY PROTECTION FOR EMPLOYEES

4 SUBJECT TO CLASSIFICATION ACT OF 1949

5 AMENDMENTS TO CLASSIFICATION ACT OF 1949

6 SEC. 101. (a) Section 507 of the Classification Act of
7 1949, as amended (72 Stat. 830; Public Law 85-737; 5
8 U.S.C. 1107), is amended—

(1) by inserting “(including each increase provided by law in such rate of basic compensation)” immediately following “to receive the rate of basic compensation to which he was entitled immediately prior to such reduction in grade” in subsections (a) and (b) of such section;

(2) by striking out “and” in paragraph (3) of such subsection (a);

(3) by inserting “and, with respect to each temporary promotion occurring on or after the date of enactment of this amendment, is not a condition of his temporary promotion to a higher grade” immediately before the semicolon at the end of such paragraph (3); and

(4) by inserting “(including each increase provided by law in such rate)” immediately following “July 1, 1954”, wherever occurring in subsection (c) of such section, and immediately before the period at the end of such subsection.

(b) (1) The amendments made by subparagraphs (1) and (4) of subsection (a) of this section shall become effective as of August 23, 1958.

(2) The amendments made by subparagraphs (2) and (3) of such subsection (a) shall become effective on the date of enactment of this Act.

1 RETROACTIVE COMPENSATION; VALIDATION OF PAYMENTS;
2 RELATION OF PAYMENTS TO CIVIL SERVICE RETIRE-
3 MENT ACT AND FEDERAL EMPLOYEES' GROUP LIFE
4 INSURANCE ACT OF 1954

5 SEC. 102. (a) (1) Except as otherwise provided in
6 paragraph (2) of this subsection, payments of increases pro-
7 vided by law in rates of basic compensation are hereby
8 authorized, and shall be made, in accordance with the amend-
9 ments made by subparagraphs (1) and (4) of subsection
10 (a) of section 101 of this title to section 507 of the Classi-
11 fication Act of 1949, as amended (5 U.S.C. 1107), and in
12 accordance with other applicable provisions of such section
13 507, as amended, for services to which the provisions of
14 such section 507, as amended, apply and which were ren-
15 dered in the period beginning on the first day of the first pay
16 period commencing after August 23, 1958, and ending at
17 the expiration of two years immediately following the first
18 day of such first pay period, with respect to each individual
19 who, on the date of enactment of this Act, is on any employ-
20 ment roll of the Federal Government or of the municipal
21 government of the District of Columbia, as follows—

22 (A) to such individual for such services so rendered
23 by him, if, on such date of enactment, he (i) is on any
24 such employment roll, (ii) is in the service of the Armed
25 Forces of the United States, or (iii) is retired under any

1 retirement law or retirement system for civilian officers
2 and employees in or under the Federal Government or
3 the municipal government of the District of Columbia;
4 or

5 (B) to the survivor or survivors, in accordance
6 with the Act of August 3, 1950 (Public Law 636,
7 Eighty-first Congress), as amended (5 U.S.C. 61f-
8 61k), of any such individual (for such services so
9 rendered by him) who has died prior to such date of
10 enactment, if, at the time of his death, such individual
11 was (i) on any such employment roll, (ii) in the serv-
12 ice of the Armed Forces of the United States, or (iii)
13 retired under any such retirement law or retirement
14 system.

15 (2) Payments of increases provided by law in rates of
16 basic compensation which were made for services described
17 in paragraph (1) of this subsection and rendered in the
18 period described in such paragraph, and which would have
19 been authorized under the amendments made by subpara-
20 graphs (1) and (4) of subsection (a) of section 101 of
21 this title if such amendments had been in effect at the time
22 such services were rendered in such period, are hereby vali-
23 dated to the same extent as if such amendments had been in
24 effect during such period.

25 (b) (1) Payments of increases described in paragraph

1 (1) of subsection (a) of this section shall not be considered
2 as basic salary for the purposes of the Civil Service Retirement
3 Act (5 U.S.C. 2251–2267) in the case of any retired
4 or deceased individual described in subparagraph (A) or
5 (B) of such paragraph (1).

6 (2) Payments of increases validated by paragraph (2)
7 of such subsection (a) shall be considered as basic salary
8 for purposes of such Act.

9 (c) For the purposes of this section, service in the
10 Armed Forces of the United States, in the case of an indi-
11 vidual relieved from training and service in the Armed
12 Forces of the United States or discharged from hospitaliza-
13 tion following such training and service, shall include the
14 period provided by law for the mandatory restoration of
15 such individual to a position in or under the Federal Gov-
16 ernment or the municipal government of the District of
17 Columbia.

18 (d) (1) Increases in rates of basic compensation author-
19 ized to be paid by paragraph (1) of subsection (a) of this
20 section shall not be held or considered to be annual compen-
21 sation for the purposes of the Federal Employees' Group
22 Life Insurance Act of 1954, as amended (5 U.S.C. 2091–
23 2103).

24 (2) Each change in rate of basic compensation made in

1 the period described in paragraph (1) of subsection (a) of
2 this section by reason of any payment validated by paragraph
3 (2) of such subsection shall be held and considered to be
4 effective for group life insurance purposes under the Federal
5 Employees Group Life Insurance Act of 1954, as amended
6 (5 U.S.C. 2091-2103), as of the first day of the first pay
7 period following the pay period in which the payroll change
8 was approved with respect to such individual.

9 SAVINGS PROVISIONS

10 SEC. 103. (a) Nothing in this title or in the amend-
11 ments made by this title shall be held or considered to mod-
12 ify, supersede, or otherwise affect the application and oper-
13 ation of section 24 of title 13 of the United States Code,
14 which contains special provisions with respect to the assign-
15 ment, promotion, appointment, detail, and other utilization
16 of nontemporary employees of the Bureau of the Census in
17 the Department of Commerce in temporary positions in con-
18 nection with any census.

19 (b) Nothing in this title or in the amendments made by
20 this title shall be held or considered to modify, change, or
21 otherwise affect any increase in a saved rate of basic com-
22 pensation paid in accordance with the Federal Employees
23 Salary Increase Act of 1960 (part B of title I of the Act of
24 July 1, 1960; 74 Stat. 298; Public Law 86-568).

TITLE II—SALARY PROTECTION FOR POSTAL
FIELD SERVICE EMPLOYEES

PROTECTION OF SALARY STANDING OF POSTAL FIELD
SERVICE EMPLOYEES

SEC. 201. That part of chapter 45 of title 39 of the
United States Code under the heading “Salary Steps and
Promotions” is amended by adding at the end thereof the
following new section:

“§ 3560. Salary protection

“(a) As used in this section, the term ‘salary standing’ means—

“(1) basic salary and salary level, with respect
to the Postal Field Service Schedule (excluding salary
levels PFS 17, 18, 19, and 20),

“(2) salary for the particular route (including additional
compensation for forty hours and under for
serving heavily patronized routes), with respect to the
Rural Carrier Schedule, and

“(3) gross receipts category, with respect to the
Fourth-Class Office Schedule.

“(b) Subject to the provisions of subsection (c) of this
section, each employee—

“(1) who at any time ~~on or~~ after the date of

1 ~~enactment of this section is reduced~~ *on or after July 1,*
2 *1961, is or was reduced* in salary standing;

3 “(2) who, on the effective date of such reduction
4 in salary standing, holds *or held* a career appointment or
5 a probational appointment in the postal field service;

6 “(3) whose reduction in salary standing is not *or*
7 *was not* caused by a demotion for personal cause, is not
8 *or was not* at his own request, is not *or was not* a condi-
9 tion of his temporary promotion or temporary assign-
10 ment to a higher salary standing, is not *or was not* a
11 condition of his temporary appointment, and is not *or*
12 *was not* effected in a reduction in force due to lack of
13 funds or curtailment of work;

14 “(4) who, for two continuous years immediately
15 prior to such reduction in salary standing, served in
16 the postal field service with the same salary standing or
17 with the same and higher salary standing; and

18 “(5) whose performance of work at all times during
19 such period of two years is *or was* satisfactory;

20 shall be entitled, as of the effective date of such reduction
21 in salary standing *or as of the first day of the first pay period*
22 *which begins on or after the date of enactment of this section,*
23 *whichever is later,* unless or until he is entitled to receive
24 basic salary at a higher rate by reason of the operation of this
25 section, or until the expiration of a period of two years im-

1 immediately following the effective date of such reduction in
2 salary standing *or immediately following the first day of such*
3 *first pay period, as applicable*, to receive the rate of basic
4 salary to which he was entitled immediately prior to such
5 reduction in salary standing (including each increase pro-
6 vided by law in such rate of basic salary) so long as he
7 continues in the postal field service without any break in
8 service of one workday or more and is not demoted or re-
9 assigned for personal cause, at his own request, or in a
10 reduction in force due to lack of funds or curtailment of
11 work.

12 “(c) The rate of basic salary to which such employee
13 is entitled under subsection (b) of this section with re-
14 spect to each reduction in salary standing to which this
15 section applies shall be the lesser of the following:

16 “(A) the amount of the existing rate of basic
17 salary of the employee immediately prior to the reduc-
18 tion in salary standing (including each increase pro-
19 vided by law in such rate) ; or

20 “(B) the amount of the rate of the salary level
21 or salary range (including each increase provided by
22 law in such rate) to which the employee is reduced,
23 increased by 25 per centum.

24 “(d) The Postmaster General is authorized to issue
25 regulations to carry out the purposes of this section.

1 “(e) (1) For the purposes of section 3559 (a), the
2 existing basic salary shall be the basic salary which the
3 employee would have received except for the provisions of
4 this section.

5 “(2) For the purposes of section 3544 (h), the basic
6 compensation earned shall be the basic compensation which
7 the employee would have received except for the pro-
8 visions of this section.

9 “(f) For the purposes of this section, the term ‘cur-
10 tailment of work’ does not include—

11 “(1) reductions in class or gross receipts cate-
12 gory of any post office, or

13 “(2) reductions in route mileage for rural carriers.”

14 CONFORMING AMENDMENT

15 SEC. 202. That part of the table of contents of chapter
16 45 of title 39 of the United States Code under the heading
17 “SALARY STEPS AND PROMOTIONS” is amended by in-
18 serting

 “3560. Salary protection.”

19 immediately below

 “3559. Promotions.”.

87TH CONGRESS
1ST Session

H. R. 7043

[Report No. 568]

A BILL

To extend to employees subject to the Classification Act of 1949 the benefits of salary increases in connection with the protection of basic compensation rates from the effects of downgrading actions, to provide salary protection for postal field service employees in certain cases of reduction in salary standing, and for other purposes.

By Mr. LESINSKI

MAY 15, 1961

Referred to the Committee on Post Office and Civil Service

JUNE 22, 1961

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

10. SURPLUS COMMODITIES. Passed without amendment S. 1720, to make permanent the authority of the President under title II of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480), as amended, to utilize surplus agricultural commodities to assist needy peoples and to promote economic development in underdeveloped areas of the world. This bill will now be sent to the President. p. 11315
11. SURPLUS PROPERTY. Passed without amendment S. 537, to amend the Surplus Property Act of 1944 to revise a restriction on the conveyance of surplus land for historic-monument purposes. This bill will now be sent to the President. p. 11322
Passed without amendment S. 796, to amend the Federal Property and Administrative Services Act of 1949, as amended, so as to authorize the use of surplus personal property by State distribution agencies. This bill will now be sent to the President. p. 11316
12. PUBLICATIONS. Passed without amendment S. 540, to authorize agencies of the Government of the United States to pay in advance for required publications. This bill will now be sent to the President. p. 11316
13. ASSISTANT SECRETARIES. Reps. Gross, Weaver, and Ford, objected to the consideration of H. R. 6882, to provide for one additional Assistant Secretary of Labor, and the bill was stricken from the Consent Calendar. p. 11312
14. MIGRATORY WATERFOWL. Passed without amendment H. R. 7391, to promote the conservation of migratory waterfowl by the acquisition of wetlands and other essential waterfowl habitat. pp. 11358-62
15. PERSONNEL. Passed over without prejudice H. R. 7043, to amend the salary retention provisions of the Classification Act of 1949 so as to include statutory salary increases in the retained rates of employees involved in downgradings, and to make ineligible for salary retention protection an employee whose reduction to his existing grade is a condition of his temporary promotion to a higher grade. p. 11314
~~Passed over without prejudice H. R. 2555, to provide for allotment and advancement of pay with respect to civilian employees of the U. S. in cases of emergency evacuations in oversea areas. p. 11317~~
16. PUBLIC LANDS; FORESTRY. Passed as reported H. R. 6067, to provide for an appropriation of not to exceed \$35,000 with which to make a survey of a proposed national parkway from the Blue Ridge Parkway at Tennessee Bald or Beech Gap southwest and running into Georgia (the proposed parkway would traverse certain national forest lands). pp. 11320-1
Passed without amendment H. R. 7042, to add 1,040 acres of land in the Lassen National Forest to the Lassen Volcanic National Park, Calif. p. 11322
17. GRAPES AND PLUMS. The Agriculture Committee reported without amendment H. R. 6253, to establish minimum standards of quality for any variety of grapes and plums (H. Rept. 682). p. 11378
18. IRRIGATION. The Interior and Insular Affairs Committee reported without amendment H. R. 7596, to authorize the Secretary of the Interior to construct, operate, and maintain the Navajo Indian irrigation project and the initial stage of the San Juan-Chama project as participating projects of the Colorado River storage project (H. Rept. 685). p. 11379

19. VOCATIONAL RETRAINING. Rep. Curtis, Mo., inserted an article, "The Hard Realities of Retraining." pp. 11366-8

ITEMS IN APPENDIX

20. PRICES. Extension of remarks of Sen. Capehart inserting an article, "Who's To Blame For The High Cost Of Living?" p. A5075
21. EXPENDITURES. Extension of remarks of Rep. Ford inserting an editorial embodying a statement by Rep. Griffin on "back-door spending." pp. A5075-6
22. FARM PROGRAM. Extension of remarks of Rep. Michel inserting an editorial criticizing the proposed farm bill. p. A5086
Extension of remarks of Rep. Rousselot stating that "stories about extravagant agricultural subsidies are legion," and inserting an article, "Farmer Buy Cadillac To Rib Crop Control." p. A5087
Extension of remarks of Rep. Conte inserting an editorial, "The Freeman Wailing Wall." p. A5104
Extension of remarks of Rep. Beckworth inserting various tabulations on price support loans, and the number of farms reporting harvested acres. pp. A5132-40
Extension of remarks of Rep. Derwinski criticizing the proposed farm bill and inserting two articles on this subject. p. A5140
23. ELECTRIFICATION. Extension of remarks of Sen. Hartke inserting five prize winning essays on "What Rural Electrification Means To My Community." pp. A5094-7
Extension of remarks of Rep. Holifield favoring and Rep. Hosmer opposing the proposed provision in the AEC authorization bill to establish the new production reactor at Hanford, Wash. pp. A5099-103, A5130-2
24. ECONOMICS. Extension of remarks of Sen. Hartke inserting Labor Secretary Goldberg's letter commenting on the administration's economic programs and stating that it is "an answer to political charges that they are retreads and modifications of old programs." p. A5109
25. FOREIGN AID. Extension of remarks of Rep. Albert inserting an article, "Foreign Aid -- Persuasive Reasons for Approval." p. A5125
26. RESEARCH. Extension of remarks of Sen. Smith inserting an outline of the study made by the National Science Foundation as to national needs in scientific research and education during the next 10 years. pp. A5126-7

BILLS INTRODUCED

27. LANDS. S. 2213, by Sen. Gruening (for himself and Sen. Bartlett), to convey the interest of the United States in certain land to the city of Sitka, Alaska to Interior and Insular Affairs Committee.
S. 2219, by Sen. Bible (by request), to authorize the classification, segregation, lease, and sale of public land for urban, business, and occupancy sites to repeal obsolete statutes; to Interior and Insular Affairs Committee.
28. RESEARCH. H. R. 8046, by Rep. St. George, to provide for the establishment, under the National Science Foundation, of a National Science Academy; to Science and Astronautics Committee.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DEPARTMENT OF AGRICULTURE CENTENNIAL OBSERVANCE

The Clerk called the resolution (H.J. Res. 435) to provide for recognition of the centennial of the establishment of the Department of Agriculture, and for other purposes.

Mr. FORD. Mr. Speaker, I ask unanimous consent that the joint resolution be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

CENTENNIAL OF LAND-GRANT UNIVERSITIES AND COLLEGES

The Clerk called the resolution (H.J. Res. 436) to provide for recognition of the centennial of the establishment of the national system of land-grant universities and colleges.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that the joint resolution be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

COMPENSATE PRISON INMATES FOR INJURIES INCURRED

The Clerk called the bill (H.R. 7358) to amend section 4126 of title 18, United States Code, with respect to compensation to prison inmates for injuries incurred in the course of employment.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of the third paragraph of section 4126 of title 18, United States Code, is amended by adding at the end thereof the words "or in any work activity in connection with the maintenance or operation of the institution where confined."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JURISDICTION AND VENUE OF U.S. DISTRICT COURTS

The Clerk called the bill (H.R. 1960) to amend chapter 85 of title 28 of the United States Code relating to the jurisdiction of the U.S. district courts, and for other purposes.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 85 of title 28 of the United States Code is amended—

(a) By adding at the end thereof the following new section:

"§ 1361. Action to compel an officer of the United States to perform his duty

"The district courts shall have original jurisdiction of any action to compel an officer

or employee of the United States or any agency thereof to perform his duty."

(b) By adding at the end of the table of sections for chapter 85 of title 28 of the United States Code the following:

"1361. Action to compel an officer of the United States to perform his duty."

SEC. 2. Section 1391 of title 28 of the United States Code is amended by adding at the end thereof the following new subsection:

"(e) A civil action in which each defendant is an officer or employee of the United States or any agency thereof acting in his official capacity or under color of legal authority, or an agency of the United States, may be brought in any judicial district where a plaintiff in the action resides, or in which the cause of the action arose, or in which any property involved in the action is situated.

"The summons and complaint in such an action shall be served as provided by the Federal Rules of Civil Procedure except that the delivery of the summons and complaint to the officer or agency as required by the rules may be made by certified mail beyond the territorial limits of the district in which the action is brought."

Mr. POFF. Mr. Speaker, the recent growth in the size and power of the executive branch of the Government has precipitated an alarming increase in court litigation growing out of controversies between the Federal Government and private citizens. Frequently, private citizens are compelled to bring a suit against a Government official to compel him to perform his duty under the law. Moreover, private citizens are often victims of adverse decisions by administrative agencies of the Federal Government and, in order to protect their rights, are compelled to take an appeal to a Federal court.

Under the law as it now exists, a private citizen in such cases is not privileged to bring his suit in the local Federal court. Rather, he is required to institute the suit in the Federal District Court in Washington, D.C. This is true primarily for two reasons. First, local district courts historically have disclaimed jurisdiction over mandamus proceedings. A mandamus proceeding is a law suit to compel a Government official to perform his duty. Second, under the venue provisions of the present law, the suit must be brought in the judicial district where the principal defendant makes his residence. Under the doctrine of indispensable parties, the head of the Government agency must be joined as a party defendant in the appeal from an adverse decision of the agency. The official residence of the head of the agency almost always is the District of Columbia. This means that the aggrieved citizen must bring his suit in the Federal district court in Washington, D.C.

H.R. 1960 contains two sections. The first section grants jurisdiction to local district courts to entertain mandamus proceedings to compel a Government official to perform his duty. The second section provides that, at the option of the private citizen, the suit may be brought in the district court located in any one of three places, viz, first, the judicial district where the citizen resides; second, the judicial district where the cause of action arose; or third, the judicial district where the property involved in the controversy is located.

There is absolutely no reason why the Federal Government should require private citizens living at remote distances from Washington to assume the physical and financial burden of prosecuting their legal rights against their Government in a strange forum. Often litigants are required to travel thousands of miles, lose time from their employment and suffer interminable delay awaiting their turn on a congested court docket. Justice delayed is justice denied. On the other hand, the Federal Government suffers no inconvenience in conducting the litigation in the locality where the controversy arose. There are Federal courts, Federal attorneys, Federal marshals and officers of Federal agencies in every quarter of the Nation. In fact, the convenience of the Government would be promoted by trying the case in the local district court where the papers are available, the property is accessible, and the witnesses are within easy reach.

Our Nation was founded upon a profound respect for the rights of the individual citizen. The Government should be willing always to accommodate itself to the preservation of those rights, more particularly when the Government is the party in controversy with the private citizen.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LIMITING PRIORITY AND NONDIS- CHARGEABILITY OF TAXES

The Clerk called the bill (H.R. 4473) to amend the Bankruptcy Act with respect to limiting the priority and non-dischargeability of taxes in bankruptcy.

Mr. FORD. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

MODIFICATION OF THE PROJECT MISSISSIPPI RIVER

The Clerk called the bill (H.R. 4660) to authorize modification of the Project Mississippi River between Missouri River and Minneapolis, Minn., damage to levee and drainage districts, with particular reference to the Kings Lake Drainage District, Missouri.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the project for the Mississippi River between Missouri River and Minneapolis, Minnesota, "Damage to Levee and Drainage Districts," House Document Numbered 135, Eighty-fourth Congress, authorized by the Rivers and Harbors Act of July 3, 1958, Public Law 500, Eighty-fifth Congress, is hereby modified to provide for a lump-sum payment to the Kings Lake Drainage District, Missouri, in lieu of payments to individual landowners for flowage easements.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FACULTY AT U.S. MERCHANT MARINE ACADEMY

The Clerk called the bill (S. 576) to amend section 216 of the Merchant Marine Act, 1936, as amended, to clarify the status of the faculty and administrative staff at the U.S. Merchant Marine Academy, to establish suitable personnel policies for such personnel, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. DEROUNIAN. Mr. Speaker, I object.

WYANDOTTE NATIONAL WILDLIFE REFUGE

The Clerk called the bill (H.R. 1182) to create the Wyandotte National Wildlife Refuge.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the islands more specifically referred to in section 2 of this Act in the Detroit River are hereby established and designated as the Wyandotte National Wildlife Refuge. The Wyandotte National Wildlife Refuge shall be administered by the Secretary of the Interior in accordance with the laws and regulations relating to national wildlife refuges, and shall be maintained as a refuge and breeding place for migratory birds and other wildlife in connection therewith.

SEC. 2. The lands referred to in the first section of this Act are more specifically described as follows:

In township 3 south, range 11 east, Michigan meridian, those federally owned islands in the Detroit River known as Grassy and Mammy Juda (or Mammajuda) Islands, together with all accretion and reliction and all soil of the bed of the Detroit River bordering on the meander lines of said islands and appurtenant thereto by reason of riparian ownership.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SALE OF LIGHT STATION PROPERTY IN SCITUATE, MASS.

The Clerk called the bill (H.R. 1452) to authorize the sale of a portion of the former light station property in Scituate, Mass.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FORD. Mr. Speaker, reserving the right to object, I should like to inquire of the author of the bill if he has any objection to the inclusion of a provision which would require that the persons buying the property pay the fair market value of the reversionary interest.

Mr. MICHEL. Mr. Speaker, reserving the right to object, I would have no objection to that. This is only a small parcel of land that we are talking about, perhaps 7 by 15 feet. It is so small it would be practically impossible to determine what the value would be. As I understand it, the entire area of the lighthouse site is 5 acres and that it was purchased at one time for only \$1,000. My mathematics is not good enough to figure precisely what the value of this

parcel would be, but it would be a very small amount. We are talking about 50 to 55 square feet of land. By way of comparison there are 217,800 square feet in a 5-acre plot and this entire area was deeded to the town of Scituate originally for \$1,000, with a reversionary interest.

Mr. FORD. Mr. Speaker, the only problem is that the objectors have consistently required that anybody buying property from the Federal Government pay fair market value for it, and in order to be consistent we ought to require the same here as we have with others.

Mr. MICHEL. My constituent, who simply wants to rebuild the corner of his front porch which now protrudes over this parcel of land, is perfectly willing to pay whatever amount is reasonable and appropriate. These folks do not want to profit at the expense of the Government. I certainly have no objection to amending the bill to provide for this payment and ask unanimous consent that the bill be passed over without prejudice in order that I might work out the appropriate language.

Mr. MICHEL. Mr. Speaker, in view of the statement of the gentleman from Michigan [Mr. Ford], I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

CONSERVATION OF MIGRATORY WATERFOWL

The Clerk called the bill (H.R. 7391) to promote the conservation of migratory waterfowl by the acquisition of wetlands and other essential waterfowl habitat, and for other purposes.

Mr. ASPINALL. Mr. Speaker, this bill is listed to be brought up under suspension; therefore, I ask unanimous consent that it be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

ALVIN R. BUSH DAM, PA.

The Clerk called the bill (H.R. 6676) to designate the Kettle Creek Dam on Kettle Creek, Pa., as the Alvin R. Bush Dam.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the dam known as the Kettle Creek Dam authorized to be constructed on Kettle Creek in the Susquehanna River Basin in the State of Pennsylvania by the Flood Control Act of 1954 shall be known and designated hereafter as the "Alvin R. Bush Dam". Any law, regulation, map, document, record, or other paper of the United States in which such dam is referred to shall be held to refer to such dam as the "Alvin R. Bush Dam".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRANCIS E. WALTER DAM, PA.

The Clerk called the bill (H.R. 4300) to designate the Bear Creek Dam on the Lehigh River, Pa., as the Francis E. Walter Dam.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the dam known as the Bear Creek Dam authorized to be constructed on the Lehigh River in the Delaware River Basin in the State of Pennsylvania by the Flood Control Act of 1946 (60 Stat. 644) shall be known and designated hereafter as the "Francis E. Walter Dam". Any law, regulation, map, document, record, or other paper of the United States in which such dam is referred to shall be held to refer to such dam as the "Francis E. Walter Dam".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WAR RISK INSURANCE

The Clerk called the bill (S. 1931) to extend the provisions of title XIII of the Federal Aviation Act of 1958, relating to war risk insurance.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1312 of title XIII of the Federal Aviation Act of 1958 (49 U.S.C. 1542), is hereby amended by striking out "June 13, 1961" and inserting "June 13, 1966" in lieu thereof.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SALARY PROTECTION FOR CERTAIN EMPLOYEES

The Clerk called the bill (H.R. 7043) to extend to employees subject to the Classification Act of 1949 the benefits of salary increases in connection with the protection of basic compensation rates from the effects of downgrading actions, to provide salary protection for postal field service employees in certain cases of reduction in salary standing, and for other purposes.

Mr. FORD. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

POSITIONS IN THE GENERAL ACCOUNTING OFFICE

The Clerk called the bill (H.R. 6007) to amend section 505(d) of the Classification Act of 1949, as amended, with respect to certain positions in the General Accounting Office.

Mr. FORD. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

10. WHEAT. Passed without amendment S. J. Res. 116, to extend until Aug. 26, 1961, the time for conducting the referendum with respect to the national marketing quota for wheat for the marketing year beginning July 1, 1962. This bill will now be sent to the President. p. 11795
11. CENTENNIALS. By a vote of 367 to 12, passed under suspension of the rules H. J. Res. 435, to provide for recognition of the centennial of the establishment of the Department of Agriculture. pp. 11809-15
Passed without amendment H. J. Res. 436, to provide for recognition of the centennial of the establishment of the national system of land-grant universities and colleges. pp. 11798-9
12. GRAPES AND PLUMS. Passed without amendment S. 1462, to authorize the Secretary of Agriculture to establish minimum standards of quality for any variety of grapes and plums. This bill will now be sent to the President. A similar bill, H. R. 6253, was tabled. p. 11804
13. WATERSHEDS. Passed with amendment S. 650, to amend the Watershed Protection and Flood Prevention Act so as to permit any irrigation or reservoir company, water users' association, or similar organization having such authority and not being operated for profit, that may be approved by the Secretary of Agriculture to sponsor works of improvement. A similar bill, H. R. 3462, was tabled. pp. 11803-4
14. PERSONNEL. Passed as reported H. R. 7043, to extend to employees subject to the Classification Act of 1949 the benefits of salary increases in connection with the protection of basic compensation rates from the effects of downgrading actions. pp. 11800-1
~~By a vote of 285 to 86, passed under suspension of the rules H. R. 2555, to authorize pay with respect to civilian employees of the United States in cases of emergency evacuations, and to consolidate the laws governing allotment and assignment of pay by such employees. pp. 11815-20~~
15. LIBRARIES. The House Administration Committee reported without amendment H. R. 8141, to revise the laws relating to depository libraries (H. Rept. 724). p. 11851
16. RURAL DEVELOPMENT. Rep. Patman discussed the "Housing Act's community facilities provisions, which were designed especially to help improve the economic structures of our smaller communities." pp. 11825-6

ITEMS IN APPENDIX

17. LANDS. Extension of remarks of Rep. Durno discussing programs of the Bureau of Land Management and their study now going on "looking toward the improvement in grazing lands ..." pp. A5335-6
18. ELECTRIFICATION. Extension of remarks of Rep. Evins inserting his newsletter, "The President, TVA, and the Public Interest." p. A5336
19. FOREIGN AID. Extension of remarks of Reps. Derounian and Pelly inserting an article, "Another Aid Deluge?" pp. A5340, A5397-8
Extension of remarks of Rep. McCormack and Sen. Humphrey inserting an address by George Meany, AFL-CIO, "Foreign Aid and Freedom," in support of the administration's foreign aid program. pp. A5350-1, A5364-5

Extension of remarks of Rep. Pelly stating that I have read with interest that the American Farm Bureau Federation "supports congressional control over foreign aid expenditures." p. A5414

20. FARM PROGRAM. Extension of remarks of Rep. Rousselot inserting the Young Republican National Federation platform including sections on agriculture, fiscal policy, and labor. pp. A5344-5, A5345-6
21. SAFETY. Extension of remarks of Sen. Humphrey inserting his recent address at the President's Safety Awards Ceremony. pp. A5348-9
22. RESEARCH. Extension of remarks of Sen. Metcalf inserting Interior Secretary Udall's statement before the House Interior Committee on the saline water conversion program. pp. A5366-7
23. CENTENNIAL. Extension of remarks of Rep. Findley inserting an Ill. State senate resolution concerning the proposed celebration of the land-grant colleges and State universities. p. A5372
24. MEAT PRICES. Extension of remarks of Rep. Harvey inserting an article, "How Come? -- 26 Cents On Hoof, \$1.04 A Pound At Meat Counter." p. A5373
25. RURAL COUNTIES. Extension of remarks of Rep. Schwengel expressing his approval of proposals to aid small towns and rural counties and inserting an article, "A Proposal To Assist Towns, Both Large and Small." pp. A5376-7
26. RECREATION. Extension of remarks of Rep. Ullman inserting an article, "Needed: Space To Play," and stating that it points out the increasing importance of outdoor recreation and indicates some of the factors which confirm that this is an area of national responsibility. pp. A5377-9
27. WATER POLLUTION. Extension of remarks of Rep. Blatnik inserting a report of the Committee on Industrial and Municipal Water Use and Pollution Abatement to the National Rivers and Harbors Congress. pp. A5379-80
28. SMALL BUSINESS. Extension of remarks of Rep. Evins inserting the first report of the House Select Committee on Small Business highlighting important activities and accomplishments of the committee. pp. A5405-7

BILLS INTRODUCED

29. BANKING. S. 2264, by Sen. Javits, to provide for the continuation of the Export-Import Bank for an additional 5 years; to Banking and Currency Committee. Remarks of author. pp. 11725-6
30. NATIONAL FLOWER. S. J. Res. 118, by Sen. Keating (for himself and others), designating the rose as the national flower of the United States; to Judiciary Committee. Remarks of Sen. Keating. p. 11727
31. CCC. H. R. 8176, by Rep. Spence, to authorize annual appropriation to reimburse Commodity Credit Corporation for net realized losses sustained during any fiscal year in lieu of annual appropriations to restore capital impairment based on annual Treasury appraisals; to Banking and Currency Committee. Remarks of author. p. 11825

centennial observance; that such centennial otherwise appropriately be celebrated; and that the historical and present close co-operative relationship with the departments and establishments of the Government be recognized in connection with such celebration.

Mr. HARVEY of Indiana. Mr. Speaker, it is noteworthy that our land-grant colleges have fulfilled the high hopes of those responsible for passage of the Morrill Act in 1862.

As an alumnus of Purdue University, I wish to recognize the fact that I am very proud of the achievements of my alma mater. Purdue has been in the forefront of agricultural and mechanical schools—in research, experimentation, and education—to further the ideals set a century ago.

So it is with great pride that I wish continued success to Purdue and her sister land-grant institutions. Americans from all walks of life have benefited, and will continue to benefit, from the important work done at the land-grant schools.

Mr. LANE. Mr. Speaker, House Joint Resolution 436 provides for the recognition of the centennial of the establishment of the national system of land-grant universities and colleges. It would authorize the President to issue a proclamation recognizing the centennial of the establishment of the land-grant system of the universities and colleges and provide for cooperation of agencies of Government during the period of the observance.

The year of 1962 has been selected for the observance because it was on July 2, 1862, that President Lincoln signed the Morrill Act upon which is based our nationwide system of land-grant universities and colleges. The Morrill Act provided for the beginning of the land-grant college system by authorizing the granting of public lands to the States and territories in support of colleges. A national system of higher education has stemmed from this act which has been uniquely designed to expand educational opportunity in the United States.

In the executive communication sent the House of Representatives by the Department of Agriculture proposing a joint resolution recognizing the centennial year of that Department, there are specific references to the centennial of the establishment of the nationwide system of land-grant universities and colleges. In that communication the following comment was made concerning the subject matter of House Joint Resolution 436:

On July 2, 1862, President Lincoln signed the Morrill Act upon which is based our nationwide system of land-grant universities and colleges. It is our understanding that these institutions, which will observe in 1962 the 100th anniversary of their founding, will also offer to the Congress a proposed joint resolution recognizing their centennial, and that their proposed resolution will contain a reference to the Department's centennial, as does the Department's proposed resolution contain a reference to the land-grant centennial. The Department and the land-grant institutions expect to observe several of their centennial activities jointly in recognition of their present and historical close relationships.

The proposed resolution (H.J. Res. 436) is in a very real sense companion

legislation to the joint resolution (H.J. Res. 435) the Department transmitted in a communication to the Congress on May 18 which would recognize the 100th anniversary of the passage of the act—on May 15, 1862—establishing the Department of Agriculture.

Our land-grant colleges were established "to teach such branches of learning as are related to agriculture and the mechanic arts," without excluding other scientific and classical studies and including military tactics. Their responsibility in the field of agriculture has been strengthened, and their cooperative relationship with the Department furthered, by the passage of several congressional acts, including the Hatch Act of 1887 which laid the basis for our nationwide system of State agricultural experiment stations, and the Smith-Lever Act in 1914 which established the cooperative agricultural extension service.

This unique Federal-State relationship is largely responsible for the development of our present highly efficient and productive agriculture.

The importance of this observance is readily apparent when it is considered that the Morrill or land-grant colleges helped bring to life the concept of equality of educational opportunity. The "open door" to college for all who had the will and ability to learn was unprecedented in world history. One hundred years ago, only one American in 1,500 went to college. Today, 1 in 3 attends. The land-grant system has become the Nation's largest single source of trained and educated manpower.

Mr. CHAMBERLAIN. Mr. Speaker, I rise in support of House Joint Resolution 436 and to recall, for the benefit of my colleagues and the Nation as well, the close relationship between the emergence of the Land Grant Act of 1862—the so-called Morrill Act—and the emergence of Michigan State University at East Lansing, Mich. While it is perhaps too often true of any measure that enjoys great success that it is flattered with many more claims of authorship than can be truthfully ascribed to it, the influence of the pioneers for agricultural education in the State of Michigan can be truly said to have played an important role in the conception and establishment of the Land Grant Act.

Largely through the inspiration and determination of the man who was to become the president of the first college of agriculture in America, Joseph R. Williams, and other equally interested persons who believed that the study of agriculture deserved a place in the curriculum of the university, the convention that wrote the State's second constitution specifically requested the legislature to "as soon as practicable, provide for the establishment of an agricultural school." Faced with the problem of financing, the legislature petitioned Congress for a land grant of 350,000 acres in 1853—the first in a long list of such petitions that were to follow from other States and which were finally to bear fruit in the act of 1862. Though this initial petition was turned down, the Michigan pioneers were determined to set up an agricultural college.

President Williams took an active in-

terest in Congressman Morrill's bill, and was even here in Washington on the day that it was first introduced in 1857; however, though it passed both Houses of Congress by 1859, President Buchanan vetoed it. Williams is credited with providing much of the information that Morrill used in his speeches. We can perhaps see his hand in this passage from a speech given by Congressman Morrill on April 20, 1858, to the House in support of his bill, in which he decried the lack of institutions for instruction of agricultural studies.

In our own country the general want of such places of instruction had been so manifest that States, societies, and individuals have attempted to supply it, though necessarily in stinted measure. The plentiful lack of funds has retarded their maturity and usefulness, but there are some examples, like that of Michigan, liberally supported by the State, in the full tide of successful experiment.

Thus we see that the Michigan State Agricultural College served as a model, which was held up to the Nation, in order to encourage the founding of similar schools in each State. When final passage and President Lincoln had signed it into law, the Morrill Act represented a victory for the Michigan pioneers as much as did for anyone else; and not merely in terms of the quarter million acres that the State of Michigan received under the Act, but rather in terms of the successful advocacy and bringing to fruition of the idea of agricultural institutions of higher learning.

Citizens of Michigan may well take pride in this spirit of pioneering in education that founded our fine State university and played such an important part in national affairs 100 years ago. The history of the Morrill Act indicates the accomplishments that that spirit fostered in those earlier times; while the reputation and educational facilities developed over the past century indicate the degree to which that same spirit has prevailed in the Michigan State University of today.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LIMIT PRIORITY AND NONDISCHARGEABILITY OF TAXES

The Clerk called the bill (H.R. 4473) to amend the Bankruptcy Act with respect to limiting the priority and nondischargeability of taxes in bankruptcy.

Mr. FORD. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

SALE OF LIGHT STATION PROPERTY IN SCITUATE, MASS.

The Clerk called the bill (H.R. 1452) to authorize the sale of a portion of the former light station property in Scituate, Mass.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. FORD. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Maryland whether or not there is in process an amendment which would make this purchase of an interest in the land subject to the fair market value.

Mr. GARMATZ. Yes, there is an amendment at the Clerk's desk.

Mr. FORD. That would include a provision to make the sale of this interest subject to the fair market value?

Mr. GARMATZ. The fair market value, that is correct.

Mr. FORD. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That any sale to Mrs. Elmer J. Bloom, of Peoria, Illinois, of—

(1) the portion of the parcel of land conveyed to the town of Scituate, Massachusetts, pursuant to the Act of June 28, 1916 (ch. 184, 39 Stat. 241), which underlies the veranda and porch of a house owned by the said Mrs. Elmer J. Bloom; and

(2) such other portions of such parcel of land as may be found by the board of selectmen of such town to be reasonable in connection with such house;

shall not be considered to be in violation of the last proviso of such Act of June 28, 1916, or in violation of any provision of the deed by which such land was conveyed to such town, recorded with Plymouth Deeds, book 1282, page 284.

Mr. GARMATZ. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GARMATZ: On page 2, line 7, immediately before the period insert the following: "if the said Mrs. Elmer J. Bloom also pays to the United States the current appraised fair market value of the interest of the United States, as determined by the Secretary of the Treasury, which was reserved or otherwise retained pursuant to such Act of June 28, 1916, in the portions of such parcel sold to her under this Act. Upon payment of such current appraised fair market value of the interest of the United States, and completion of the sale of such portions to the said Mrs. Elmer J. Bloom, the Secretary of the Treasury shall convey by quitclaim deed all such reserved or retained right, title, and interest of the United States in and to the portions of such parcel sold to her under this Act."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SALARY PROTECTION FOR CERTAIN EMPLOYEES

The Clerk called the bill (H.R. 7043) to extend to employees subject to the Classification Act of 1949 the benefits of salary increases in connection with the protection of basic compensation rates from the effects of downgrading actions, to provide salary protection for postal field service employees in certain cases of reduction in salary standing, and for other purposes.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—SALARY PROTECTION FOR EMPLOYEES SUBJECT TO CLASSIFICATION ACT OF 1949

AMENDMENTS TO CLASSIFICATION ACT OF 1949

SEC. 101. (a) Section 507 of the Classification Act of 1949, as amended (72 Stat. 830; Public Law 85-737; 5 U.S.C. 1107), is amended—

(1) by inserting "(including each increase provided by law in such rate of basic compensation)" immediately following "to receive the rate of basic compensation to which he was entitled immediately prior to such reduction in grade" in subsections (a) and (b) of such section;

(2) by striking out "and" in paragraph (3) of such subsection (a);

(3) by inserting "and, with respect to each temporary promotion occurring on or after the date of enactment of this amendment, is not a condition of his temporary promotion to a higher grade" immediately before the semicolon at the end of such paragraph (3); and

(4) by inserting "(including each increase provided by law in such rate)" immediately following "July 1, 1954", wherever occurring in subsection (c) of such section, and immediately before the period at the end of such subsection.

(b) (1) The amendments made by subparagraphs (1) and (4) of subsection (a) of this section shall become effective as of August 23, 1958.

(2) The amendments made by subparagraphs (2) and (3) of such subsection (a) shall become effective on the date of enactment of this Act.

Retroactive compensation; validation of payments; relation of payments to Civil Service Retirement Act and Federal Employees' Group Life Insurance Act of 1954

SEC. 102. (a) (1) Except as otherwise provided in paragraph (2) of this subsection, payments of increases provided by law in rates of basic compensation are hereby authorized, and shall be made, in accordance with the amendments made by subparagraphs (1) and (4) of subsection (a) of section 101 of this title to section 507 of the Classification Act of 1949, as amended (5 U.S.C. 1107), and in accordance with other applicable provisions of such section 507, as amended, for services to which the provisions of such section 507, as amended, apply and which were rendered in the period beginning on the first day of the first pay period commencing after August 23, 1958, and ending at the expiration of two years immediately following the first day of such first pay period, with respect to each individual who, on the date of enactment of this Act, is on any employment roll of the Federal Government or of the municipal government of the District of Columbia, as follows—

(A) to such individual for such services so rendered by him, if, on such date of enactment, he (i) is on any such employment roll, (ii) is in the service of the Armed Forces of the United States, or (iii) is retired under any retirement law or retirement system for civilian officers and employees in or under the Federal Government or the municipal government of the District of Columbia; or

(B) to the survivor or survivors, in accordance with the Act of August 3, 1950 (Public Law 636, Eighty-first Congress), as amended (5 U.S.C. 61f-61k), of any such individual (for such services so rendered by him) who has died prior to such date of enactment, if, at the time of his death, such individual was (i) on any such employment roll, (ii) in the service of the Armed Forces of the

United States, or (iii) retired under any such retirement law or retirement system.

(2) Payments of increases provided by law in rates of basic compensation which were made for services described in paragraph (1) of this subsection and rendered in the period described in such paragraph, and which would have been authorized under the amendments made by subparagraphs (1) and (4) of subsection (a) of section 101 of this title if such amendments had been in effect at the time such services were rendered in such period, are hereby validated to the same extent as if such amendments had been in effect during such period.

(b) (1) Payments of increases described in paragraph (1) of subsection (a) of this section shall not be considered as basic salary for the purposes of the Civil Service Retirement Act (5 U.S.C. 2251-2267) in the case of any retired or deceased individual described in subparagraph (A) or (B) of such paragraph (1).

(2) Payments of increases validated by paragraph (2) of such subsection (a) shall be considered as basic salary for purposes of such Act.

(c) For the purposes of this section, service in the Armed Forces of the United States, in the case of an individual relieved from training and service in the Armed Forces of the United States or discharged from hospitalization following such training and service, shall include the period provided by law for the mandatory restoration of such individual to a position in or under the Federal Government or the municipal government of the District of Columbia.

(d) (1) Increases in rates of basic compensation authorized to be paid by paragraph (1) of subsection (a) of this section shall not be held or considered to be annual compensation for the purposes of the Federal Employees' Group Life Insurance Act of 1954, as amended (5 U.S.C. 2091-2103).

(2) Each change in rate of basic compensation made in the period described in paragraph (1) of subsection (a) of this section by reason of any payment validated by paragraph (2) of such subsection shall be held and considered to be effective for group life insurance purposes under the Federal Employees' Group Life Insurance Act of 1954, as amended (5 U.S.C. 2091-2103), as of the first day of the first pay period following the pay period in which the payroll change was approved with respect to such individual.

Savings provisions

SEC. 103. (a) Nothing in this title or in the amendments made by this title shall be held or considered to modify, supersede, or otherwise affect the application and operation of section 24 of title 13 of the United States Code, which contains special provisions with respect to the assignment, promotion, appointment, detail, and other utilization of nontemporary employees of the Bureau of the Census in the Department of Commerce in temporary positions in connection with any census.

(b) Nothing in this title or in the amendments made by this title shall be held or considered to modify, change, or otherwise affect any increase in a saved rate of basic compensation paid in accordance with the Federal Employees Salary Increase Act of 1960 (part B of title I of the Act of July 1, 1960; 74 Stat. 298; Public Law 86-568).

TITLE II—SALARY PROTECTION FOR POSTAL FIELD SERVICE EMPLOYEES

Protection of salary standing of postal field service employees

SEC. 201. That part of chapter 45 of title 39 of the United States Code under the heading "Salary Steps and Promotions" is amended by adding at the end thereof the following new section:

"§ 3560. Salary protection

"(a) As used in this section, the term 'salary standing' means—

"(1) basic salary and salary level, with respect to the Postal Field Service Schedule (excluding salary levels PFS 17, 18, 19, and 20),

"(2) salary for the particular route (including additional compensation for forty hours and under for serving heavily patronized routes), with respect to the Rural Carrier Schedule, and

"(3) gross receipts category, with respect to the Fourth-Class Office Schedule.

"(b) Subject to the provisions of subsection (c) of this section, each employee—

"(1) who at any time on or after the date of enactment of this section is reduced in salary standing;

"(2) who, on the effective date of such reduction in salary standing, holds a career appointment or a probational appointment in the postal field service;

"(3) whose reduction in salary standing is not caused by a demotion for personal cause, is not at his own request, is not a condition of his temporary promotion or temporary assignment to a higher salary standing, is not a condition of his temporary appointment, and is not effected in a reduction in force due to lack of funds or curtailment of work;

"(4) who, for two continuous years immediately prior to such reduction in salary standing, served in the postal field service with the same salary standing or with the same and higher salary standing; and

"(5) whose performance of work at all times during such period of two years is satisfactory;

shall be entitled, as of the effective date of such reduction in salary standing, unless or until he is entitled to receive basic salary at a higher rate by reason of the operation of this section, or until the expiration of a period of two years immediately following the effective date of such reduction in salary standing to receive the rate of basic salary to which he was entitled immediately prior to such reduction in salary standing (including each increase provided by law in such rate of basic salary) so long as he continues in the postal field service without any break in service of one workday or more and is not demoted or reassigned for personal cause, at his own request, or in a reduction in force due to lack of funds or curtailment of work.

"(c) The rate of basic salary to which such employee is entitled under subsection (b) of this section with respect to each reduction in salary standing to which this section applies shall be the lesser of the following:

"(A) the amount of the existing rate of basic salary of the employee immediately prior to the reduction in salary standing (including each increase provided by law in such rate); or

"(B) the amount of the rate of the salary level or salary range (including each increase provided by law in such rate) to which the employee is reduced, increased by 25 per centum.

"(d) The Postmaster General is authorized to issue regulations to carry out the purposes of this section.

"(e) (1) For the purposes of section 3559 (a), the existing basic salary shall be the basic salary which the employee would have received except for the provisions of this section.

"(2) For the purposes of section 3544(h), the basic compensation earned shall be the basic compensation which the employee would have received except for the provisions of this section.

"(f) For the purposes of this section, the term 'curtailment of work' does not include—

"(1) reductions in class or gross receipts category of any post office, or

"(2) reductions in route mileage for rural carriers."

Conforming amendment

SEC. 202. That part of the table of contents of chapter 45 of title 39 of the United States Code under the heading "SALARY STEPS AND PROMOTIONS" is amended by inserting "3560. Salary protection."

immediately below

"3559. Promotions."

With the following committee amendments:

(1) Page 7, lines 23 and 24, strike out "on or after the date of enactment of this section is reduced" and insert in lieu thereof "on or after July 1, 1961, is or was reduced".

(2) Page 8, line 2, insert the words "or held" immediately following the word "holds".

(3) Page 8, lines 4, 5, 6, 8, and 9, insert the words "or was not" immediately following the words "is not".

(4) Page 8, line 16, insert the words "or was" immediately following the word "is".

(5) Page 8, line 18, immediately following the words "salary standing" insert the following:

or as of the first day of the first pay period which begins on or after the date of enactment of this section, whichever is later,

(6) Page 8, line 22, immediately following the words "salary standing" insert the following:

or immediately following the first day of such first pay period, as applicable,

The committee amendments were agreed to.

Mr. LANE. Mr. Speaker, we are considering one of those unforeseen inequities that are revealed after a law goes into effect. The injustice, in this case, affects 30 employees in the General Accounting Office and approximately 500 employees in the field service of the Post Office Department.

The unintended salary discrimination, injurious to the income and morale of 530 career employees of the Government has become so obvious that there is unanimous agreement in the report accompanying H.R. 7403 of the proposed amendment to the Classification Act of 1949.

It is noteworthy that the Civil Service Commission, the Post Office Department, the Department of Defense, the Department of Justice, the Bureau of the Budget, the Department of Commerce, and the Comptroller General support the basic objectives of this bill. Its purpose is to provide salary protection for classified and postal field service employees in certain cases involving reductions in salary standing.

On September 19, 1960, the Comptroller General ruled that classified employees who were downgraded before January 1958, and who originally were brought under the salary retention protection of the Classification Act of 1949, were not entitled to have any salary increase added to the rates such employees were entitled to receive under section 507 of that act.

Title I of the present bill would validate the payments of the statutory salary increase which had been made to such employees and would authorize payment of the statutory increases to the 30 General Accounting Office employees who did not receive them. But it would ex-

clude from the salary savings provisions of the Classification Act of 1949, an employee who accepts a temporary promotion with the understanding that when the assignment is completed he will revert to his former grade. An employee who receives a temporary promotion with full knowledge of its temporary nature and of his expected return to the lower grade position should not be entitled to salary retention benefits.

Title II extends salary protection to postal field service employees who are downgraded, affording them the same protection as classified employees.

This title provides that an employee in the postal field service whose reduction in salary standing is or was not caused by a demotion for personal cause; at his own request; or affected in a reduction in force due to lack of funds or curtailment of work; despite a reduced salary standing will continue to receive the higher pay for a period of 2 years following the effective date of the change in salary standing.

However, such an employee must have, immediately prior to a reduction in salary standing, served satisfactorily for 2 continuous years in the postal field service with the same or higher salary standing.

The effective date of title II shall be July 1, 1961.

H.R. 7043 is one of those infrequent bills where all the weight of reason and testimony is so clearly in its favor that we look forward to its uncontested passage and enactment into law.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

POSITIONS IN THE GENERAL ACCOUNTING OFFICE

The Clerk called the bill (H.R. 6007) to amend section 505(d) of the Classification Act of 1949, as amended, with respect to certain positions in the General Accounting Office.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 505(d) of the Classification Act of 1949, as amended (5 U.S.C. 1105(d)), is amended by striking out the words "twenty-five positions" and inserting in lieu thereof the words "forty positions".

With the following committee amendments:

Page 1, line 6, strike out "forty" and insert in lieu thereof "thirty-nine".

Page 1, immediately following line 6, insert the following:

"SEC. 2. Section 106(a) of the Federal Executive Pay Act of 1956 (5 U.S.C. 2205(a)) is amended by adding the following subparagraph after subparagraph (47):

"(48) General Counsel of the General Accounting Office."

"SEC. 3. The amendment made by section 2 of this Act shall become effective at the beginning of the first pay period which begins on or after the date of enactment of this Act."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

ELIGIBILITY FOR CERTAIN SCHOLARSHIPS

The Clerk called the bill (S. 539) to make nationals, American and foreign, eligible for certain scholarships under the Surplus Property Act of 1944, as amended.

Mr. FORD. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

ALLOTMENT OF PAY IN EMERGENCY EVACUATIONS

The Clerk called the bill (H.R. 2555) to provide for allotment and advancement of pay with respect to civilian employees of the United States in cases of emergency evacuations in oversea areas, and for other purposes.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

FORT NECESSITY NATIONAL BATTLEFIELD SITE, PA.

The Clerk called the bill (H.R. 498) to provide additional lands at, and change the name of, the Fort Necessity National Battlefield Site, Pa., and for other purposes.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in furtherance of the purposes of the Act of March 4, 1931 (46 Stat. 1522), the Secretary of the Interior is authorized to acquire by purchase, exchange, donation, with donated funds or otherwise by such means as he may deem to be in the public interest, lands and interests in lands adjoining or near the Fort Necessity National Battlefield site which in his discretion are necessary to preserve the historic battleground, together with not to exceed 25 acres at the detached Braddock Monument: Provided, That the total area acquired pursuant to this Act shall not exceed 500 acres, except that in order to avoid the undesirable severance of parcels in private ownership such parcels may be purchased in the entirety.

SEC. 2. The Secretary of the Interior, in order to implement the purposes of section 1 of this Act, is authorized to exchange lands which may be acquired pursuant to this Act for other lands or interests therein of approximately equal value lying within the original George Washington land patent at Fort Necessity.

SEC. 3. The Fort Necessity National Battlefield site is hereby redesignated as the Fort Necessity National Battlefield and any remaining balance of funds appropriated for the purposes of the site shall be available

for the purposes of the Fort Necessity National Battlefield.

SEC. 4. The administration, protection, and development of the Fort Necessity National Battlefield shall be exercised by the Secretary of the Interior in accordance with provisions of the Act of August 25, 1916 (39 Stat. 535), entitled "An Act to establish a National Park Service, and for other purposes", as amended and supplemented.

SEC. 5. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

With the following committee amendment:

Page 2, line 23, strike out all of section 5 and insert in lieu thereof—

"SEC. 5. There are hereby authorized to be appropriated such sums, but not more than \$115,000, as are necessary to carry out the provisions of this Act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HISTORIC SITE AT FORT DAVIS, JEFF DAVIS COUNTY, TEX.

The Clerk called the bill (H.R. 586) authorizing the establishment of a national historic site at Old Fort Davis, Jeff Davis County, Tex.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled; That the Secretary of the Interior shall acquire, on behalf of the United States, by gift, purchase, condemnation, or otherwise, all right, title, and interest in and to such lands, together with any improvements therein, the Secretary may deem necessary for the purpose of establishing a national historic site at the site of Old Fort Davis, near the town of Fort Davis, Jeff Davis County, Texas.

SEC. 2. (a) The property acquired under the provisions of the first section of this Act shall be designated as the Old Fort Davis National Historic Site and shall be set aside as a public national memorial to commemorate the historic role played by such fort in the opening of the West. The National Park Service, under the direction of the Secretary of the Interior, shall administer, protect, and develop such monument, subject to the provisions of the Act entitled "An Act to establish a National Park Service, and for other purposes", approved August 25, 1916, as amended and supplemented, and the Act entitled "An Act to provide for the preservation of historic American sites, buildings, objects, and antiquities of national significance, and for other purposes", approved August 21, 1935, as amended.

(b) In order to provide for the proper development and maintenance of such national historic site, the Secretary of the Interior is authorized to construct and maintain therein such markers, buildings, and other improvements and such facilities for the care and accommodation of visitors, as he may deem necessary.

SEC. 3. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

With the following committee amendments:

Page 1, line 8, strike out the word "Old".

Page 1, line 11, strike out the word "Old".

Page 2, line 19, strike out all of section 3 and insert in lieu thereof:

"SEC. 3. There are hereby authorized to be appropriated such sums, but not more than \$115,000 for land acquisition, as are necessary to carry out the provisions of this Act."

The bill was ordered to be engrossed and read a third time, and was read the third time.

The title was amended so as to read:

* A bill authorizing the establishment of a national historic site at Fort Davis, Jeff Davis County, Texas.

A motion to reconsider was laid on the table.

RUSSIAN ORTHODOX GREEK CATHOLIC CHURCH, ALASKA

The Clerk called the bill (S. 1644) to provide for the indexing and microfilming of certain records of the Russian Orthodox Greek Catholic Church in Alaska in the collections of the Library of Congress.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) for the purpose of making the records of the Russian Orthodox Greek Catholic Church in Alaska in the collections of the Library of Congress more readily available for study and research and as evidence of the vital statistics set forth therein, the Librarian of Congress shall arrange, transliterate into Latin characters, index and microfilm such records.

(b) The Librarian of Congress shall, consistent with any limitation imposed on the use of or access to such records by their donors or by those placing such records on deposit in the Library of Congress, make available to any State or political subdivision thereof, and in the discretion of the Librarian, to any person or organization, copies of any index or microfilm prepared pursuant to subsection (a) upon payment by any such State, subdivision, person or organization of an amount determined by the Librarian to be the reasonably estimated cost of providing such copies.

SEC. 2. There is hereby authorized to be appropriated such sum, not to exceed \$15,000, as may be necessary to carry out the provisions of this Act.

With the following committee amendment:

Any amounts collected by the Librarian under this subsection shall be deposited in the Treasury of the United States.

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTABLISHING A NATIONAL ARMED FORCES MUSEUM

The Clerk called the bill (H.R. 4659) to establish a National Armed Forces Museum Advisory Board of the Smithsonian Institution, to authorize expansion of the Smithsonian Institution's facilities for portraying the contributions of the Armed Forces of the United States, and for other purposes.

Mr. GROSS. Mr. Speaker, reserving the right to object, do I understand that this museum is to be located in a build-

87TH CONGRESS
1ST SESSION

H. R. 7043

IN THE SENATE OF THE UNITED STATES

JULY 18, 1961

Read twice and referred to the Committee on Post Office and Civil Service

AN ACT

To extend to employees subject to the Classification Act of 1949 the benefits of salary increases in connection with the protection of basic compensation rates from the effects of downgrading actions, to provide salary protection for postal field service employees in certain cases of reduction in salary standing, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 TITLE I—SALARY PROTECTION FOR EMPLOYEES

4 SUBJECT TO CLASSIFICATION ACT OF 1949

5 AMENDMENTS TO CLASSIFICATION ACT OF 1949

6 SEC. 101. (a) Section 507 of the Classification Act of
7 1949, as amended (72 Stat. 830; Public Law 85-737; 5
8 U.S.C. 1107), is amended—

1 (1) by inserting “(including each increase pro-
2 vided by law in such rate of basic compensation)” im-
3 mediately following “to receive the rate of basic com-
4 pensation to which he was entitled immediately prior
5 to such reduction in grade” in subsections (a) and (b)
6 of such section;

7 (2) by striking out “and” in paragraph (3) of such
8 subsection (a);

9 (3) by inserting “and, with respect to each tem-
10 porary promotion occurring on or after the date of enact-
11 ment of this amendment, is not a condition of his tem-
12 porary promotion to a higher grade” immediately
13 before the semicolon at the end of such paragraph (3);
14 and

15 (4) by inserting “(including each increase pro-
16 vided by law in such rate)” immediately following
17 “July 1, 1954”, wherever occurring in subsection (c)
18 of such section, and immediately before the period at
19 the end of such subsection.

20 (b) (1) The amendments made by subparagraphs (1)
21 and (4) of subsection (a) of this section shall become
22 effective as of August 23, 1958.

23 (2) The amendments made by subparagraphs (2) and
24 (3) of such subsection (a) shall become effective on the
25 date of enactment of this Act.

1 RETROACTIVE COMPENSATION; VALIDATION OF PAYMENTS;
2 RELATION OF PAYMENTS TO CIVIL SERVICE RETIRE-
3 MENT ACT AND FEDERAL EMPLOYEES' GROUP LIFE
4 INSURANCE ACT OF 1954

5 SEC. 102. (a) (1) Except as otherwise provided in
6 paragraph (2) of this subsection, payments of increases pro-
7 vided by law in rates of basic compensation are hereby
8 authorized, and shall be made, in accordance with the amend-
9 ments made by subparagraphs (1) and (4) of subsection
10 (a) of section 101 of this title to section 507 of the Classi-
11 fication Act of 1949, as amended (5 U.S.C. 1107), and in
12 accordance with other applicable provisions of such section
13 507, as amended, for services to which the provisions of
14 such section 507, as amended, apply and which were ren-
15 dered in the period beginning on the first day of the first pay
16 period commencing after August 23, 1958, and ending at
17 the expiration of two years immediately following the first
18 day of such first pay period, with respect to each individual
19 who, on the date of enactment of this Act, is on any employ-
20 ment roll of the Federal Government or of the municipal
21 government of the District of Columbia, as follows—

22 (A) to such individual for such services so rendered
23 by him, if, on such date of enactment, he (i) is on any
24 such employment roll, (ii) is in the service of the Armed
25 Forces of the United States, or (iii) is retired under any

retirement law or retirement system for civilian officers and employees in or under the Federal Government or the municipal government of the District of Columbia; or

(B) to the survivor or survivors, in accordance with the Act of August 3, 1950 (Public Law 636, Eighty-first Congress), as amended (5 U.S.C. 61f-61k), of any such individual (for such services so rendered by him) who has died prior to such date of enactment, if, at the time of his death, such individual was (i) on any such employment roll, (ii) in the service of the Armed Forces of the United States, or (iii) retired under any such retirement law or retirement system.

(2) Payments of increases provided by law in rates of basic compensation which were made for services described in paragraph (1) of this subsection and rendered in the period described in such paragraph, and which would have been authorized under the amendments made by subparagraphs (1) and (4) of subsection (a) of section 101 of this title if such amendments had been in effect at the time such services were rendered in such period, are hereby validated to the same extent as if such amendments had been in effect during such period.

(b) (1) Payments of increases described in paragraph

1 (1) of subsection (a) of this section shall not be considered
2 as basic salary for the purposes of the Civil Service Retirement
3 Act (5 U.S.C. 2251–2267) in the case of any retired
4 or deceased individual described in subparagraph (A) or
5 (B) of such paragraph (1).

6 (2) Payments of increases validated by paragraph (2)
7 of such subsection (a) shall be considered as basic salary
8 for purposes of such Act.

9 (c) For the purposes of this section, service in the
10 Armed Forces of the United States, in the case of an indi-
11 vidual relieved from training and service in the Armed
12 Forces of the United States or discharged from hospitaliza-
13 tion following such training and service, shall include the
14 period provided by law for the mandatory restoration of
15 such individual to a position in or under the Federal Gov-
16 ernment or the municipal government of the District of
17 Columbia.

18 (d) (1) Increases in rates of basic compensation author-
19 ized to be paid by paragraph (1) of subsection (a) of this
20 section shall not be held or considered to be annual compen-
21 sation for the purposes of the Federal Employees' Group
22 Life Insurance Act of 1954, as amended (5 U.S.C. 2091–
23 2103).

24 (2) Each change in rate of basic compensation made in

1 the period described in paragraph (1) of subsection (a) of
2 this section by reason of any payment validated by paragraph
3 (2) of such subsection shall be held and considered to be
4 effective for group life insurance purposes under the Federal
5 Employees Group Life Insurance Act of 1954, as amended
6 (5 U.S.C. 2091-2103), as of the first day of the first pay
7 period following the pay period in which the payroll change
8 was approved with respect to such individual.

9 SAVINGS PROVISIONS

10 SEC. 103. (a) Nothing in this title or in the amend-
11 ments made by this title shall be held or considered to mod-
12 ify, supersede, or otherwise affect the application and oper-
13 ation of section 24 of title 13 of the United States Code,
14 which contains special provisions with respect to the assign-
15 ment, promotion, appointment, detail, and other utilization
16 of nontemporary employees of the Bureau of the Census in
17 the Department of Commerce in temporary positions in con-
18 nection with any census.

19 (b) Nothing in this title or in the amendments made by
20 this title shall be held or considered to modify, change, or
21 otherwise affect any increase in a saved rate of basic com-
22 pensation paid in accordance with the Federal Employees
23 Salary Increase Act of 1960 (part B of title I of the Act of
24 July 1, 1960; 74 Stat. 298; Public Law 86-568).

1 TITLE II—SALARY PROTECTION FOR POSTAL
2 FIELD SERVICE EMPLOYEES

3 PROTECTION OF SALARY STANDING OF POSTAL FIELD
4 SERVICE EMPLOYEES

5 SEC. 201. That part of chapter 45 of title 39 of the
6 United States Code under the heading “Salary Steps and
7 Promotions” is amended by adding at the end thereof the
8 following new section:

9 “§ 3560. Salary protection

10 “(a) As used in this section, the term ‘salary stand-
11 ing’ means—

12 “(1) basic salary and salary level, with respect
13 to the Postal Field Service Schedule (excluding sal-
14 ary levels PFS 17, 18, 19, and 20),

15 “(2) salary for the particular route (including ad-
16 ditional compensation for forty hours and under for
17 serving heavily patronized routes), with respect to the
18 Rural Carrier Schedule, and

19 “(3) gross receipts category, with respect to the
20 Fourth-Class Office Schedule.

21 “(b) Subject to the provisions of subsection (c) of this
22 section, each employee—

23 “(1) who at any time on or after July 1, 1961,
24 is or was reduced in salary standing;

1 “(2) who, on the effective date of such reduction
2 in salary standing, holds or held a career appointment or
3 a probational appointment in the postal field service;

4 “(3) whose reduction in salary standing is not or
5 was not caused by a demotion for personal cause, is not
6 or was not at his own request, is not or was not a condi-
7 tion of his temporary promotion or temporary assign-
8 ment to a higher salary standing, is not or was not a
9 condition of his temporary appointment, and is not or
10 was not effected in a reduction in force due to lack of
11 funds or curtailment of work;

12 “(4) who, for two continuous years immediately
13 prior to such reduction in salary standing, served in
14 the postal field service with the same salary standing or
15 with the same and higher salary standing; and

16 “(5) whose performance of work at all times during
17 such period of two years is or was satisfactory;
18 shall be entitled, as of the effective date of such reduction
19 in salary standing or as of the first day of the first pay period
20 which begins on or after the date of enactment of this section,
21 whichever is later, unless or until he is entitled to receive
22 basic salary at a higher rate by reason of the operation of this
23 section, or until the expiration of a period of two years im-
24 mediately following the effective date of such reduction in
25 salary standing or immediately following the first day of such

1 first pay period, as applicable, to receive the rate of basic
2 salary to which he was entitled immediately prior to such
3 reduction in salary standing (including each increase pro-
4 vided by law in such rate of basic salary) so long as he
5 continues in the postal field service without any break in
6 service of one workday or more and is not demoted or re-
7 assigned for personal cause, at his own request, or in a
8 reduction in force due to lack of funds or curtailment of
9 work.

10 “(c) The rate of basic salary to which such employee
11 is entitled under subsection (b) of this section with re-
12 spect to each reduction in salary standing to which this
13 section applies shall be the lesser of the following:

14 “(A) the amount of the existing rate of basic
15 salary of the employee immediately prior to the reduc-
16 tion in salary standing (including each increase pro-
17 vided by law in such rate) ; or

18 “(B) the amount of the rate of the salary level
19 or salary range (including each increase provided by
20 law in such rate) to which the employee is reduced,
21 increased by 25 per centum.

22 “(d) The Postmaster General is authorized to issue
23 regulations to carry out the purposes of this section.

24 “(e) (1) For the purposes of section 3559 (a), the
25 existing basic salary shall be the basic salary which the

1 employee would have received except for the provisions of
2 this section.

3 “(2) For the purposes of section 3544 (h), the basic
4 compensation earned shall be the basic compensation which
5 the employee would have received except for the pro-
6 visions of this section.

7 “(f) For the purposes of this section, the term ‘cur-
8 tailment of work’ does not include—

9 “(1) reductions in class or gross receipts cate-
10 gory of any post office, or

11 “(2) reductions in route mileage for rural carriers.”

12 CONFORMING AMENDMENT

13 SEC. 202. That part of the table of contents of chapter
14 45 of title 39 of the United States Code under the heading
15 “SALARY STEPS AND PROMOTIONS” is amended by in-
16 serting

“3560. Salary protection.”

17 immediately below

“3559. Promotions.”.

Passed the House of Representatives July 17, 1961.

Attest:

RALPH R. ROBERTS,

Clerk.

AN ACT

To extend to employees subject to the Classification Act of 1949 the benefits of salary increases in connection with the protection of basic compensation rates from the effects of downgrading actions, to provide salary protection for postal field service employees in certain cases of reduction in salary standing, and for other purposes.

JULY 18, 1961

Read twice and referred to the Committee on Post
Office and Civil Service

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

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For actions of August 30, 1961
87th-1st, No. 151

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For highlights see page 6.

SENATE

1. PERSONNEL. The Post Office and Civil Service Committee voted to report (but did not actually report) S. 1683, with amendment, to remove the present requirement, contained in the Pay Act of 1960, that ASC employees with past service purchase credit for such services within a two-year period from July 10, 1960; H. R. 6141, to limit to cases involving the national security the prohibition on payment of annuities and retired pay to officers and employees of the Federal Government; H. R. 7043, to extend to employees subject to the Classification Act of 1949 the benefits of salary increases in connection with the protection of basic compensation rates from the effects of downgrading actions; and H. R. 2555, to authorize pay with respect to civilian employees of the U. S. in cases of emergency evacuations, and to consolidate the laws governing allotments and assignment of pay by such employees. p. D785
The "Daily Digest" states that the "Committee put over for considerations at a later date S. 1732, providing for the establishment and rate of pay of supergrade, scientific, and other Federal positions." p. D785

2. RECLAMATION. The Interior and Insular Affairs Committee reported with amendment S. 230, to modify provisions relating to the construction of the Garrison Diversion Unit, Missouri River Basin project (S. Rept. 833). p. 16337
3. STATE-JUSTICE APPROPRIATION BILL, 1962. Passed with amendments this bill, H. R. 7371 (pp. 16348-61, 16364-413). Conferees were appointed (p. 16413). Agreed to an amendment by Sen. Mansfield (for himself and Sen. Dirksen), by a vote of 70 to 19, to extend the Civil Rights Commission for an additional two years (pp. 16348-61, 16364-400).
4. TRANSPORTATION. The Commerce Committee reported an original bill, S. 2491, to permit the application of the bulk commodity exemption when other commodities are concurrently transported in the same vessel (S. Rept. 838). p. 16337
5. ADMINISTRATIVE ORDERS. The Judiciary Committee reported without amendment H. R. 5656, to provide for reasonable notice of applications to the U. S. courts of appeals for interlocutory relief against the orders of certain administrative agencies (S. Rept. 835). p. 16337
6. RIVER BASINS. Sen. Jackson announced that hearings will be held by the Interior and Insular Affairs Committee Tues., Sept. 5, on H. J. Res. 225, to grant the consent to Congress to the Delaware River Basin Compact. p. 16340.
7. DEPRESSED AREAS. Sen. Tower criticized the designation of certain areas as "depressed areas." and inserted an East Texas Chamber of Commerce resolution critical of the designation of 41 east Texas counties as "depressed areas." p. 1634
8. CONSUMERS. Sen. Keating inserted an editorial supporting enactment of legislation to establish an Office of Consumer Counsel in the White House. p. 16342
9. FORESTRY; RECREATION. Sen. Moss inserted an article, "Tourists' New Frontier," discussing the creation of recreational facilities on public lands in the West. pp. 16343-5
10. WILDERNESS AREAS. Sen. Proxmire inserted letters he received from the Independent Petroleum Assoc. of America opposing S. 174, to provide for the establishment of a wilderness preservation system. pp. 16345-6
11. WATERSHEDS. The Public Works Committee approved the following watershed projects: Big Sandy Creek, Colo., South River, Ga., Middle Fork of Anderson River, Ind., Middle-South Branch Forest River, N. Dak., Sallisaw Creek, Okla., Beaver Creek, Oreg., and Twin Parks Creek, Wis. p. 16348
12. SMALL BUSINESS. Passed without amendment H. R. 8922, to increase by \$20 million the amount available for regular business loans by the Small Business Administration. This bill will now be sent to the President. pp. 16361-3
13. FOREIGN AFFAIRS. Sen Humphrey inserted an address by Assistant Secretary of Commerce for International Affairs, Rowland Burnstan, discussing problems involved in the economic development of Latin America. pp. 16415-20
14. LEGISLATIVE PROGRAM. Sen Mansfield expressed hope that Senate action would be completed this week on the saline water bill, the foreign aid authorization bill and migratory labor bills. He stated that next week the wilderness bill will be considered on Tues., the Department of Urban Affairs and Housing bill on Wed.,

SENATE

1. **TRANSPORTATION.** Passed without amendment H. R. 2429, to prohibit destruction of, or injury to, any freight or express moving in interstate or foreign commerce. This bill will now be sent to the President. p. 16797
 Passed with amendment H. R. 6732, to amend the Merchant Marine Act so as to encourage the construction and maintenance of American-flag vessels built in American shipyards. p. 16863
 Passed with amendments S. 1368, to continue the authority for licensing independent ocean freight forwarders. pp. 16863-5
 Sen. Javits and Schoepfel discussed the recommendation of the Interstate Commerce Commission for direct Federal subsidies to the railroads and Sen. Schoepfel inserted the report of the ICC on this matter. pp. 16828, 16849-54
2. **FISHERIES.** Passed without amendment H. R. 206, to facilitate the administration of the fishery loan fund. This bill will now be sent to the President. p. 16797
3. **HAMS.** Sen. Neuberger stated that she had received word "from the Department of Agriculture, which announces that it has rescinded the order in regard to the adulteration of hams," and commended the decision as "a step in the right direction to restore integrity to the marketplace." pp. 16809-10
4. **WILDERNESS AREAS.** S. 174, the wilderness preservation bill, was made the unfinished business of the Senate. p. 16879
5. **WATERSHEDS.** A subcommittee of the Agriculture and Forestry Committee approved for full committee consideration watershed projects at Indian Creek, Iowa and Anasco River, Puerto Rico. p. D800
6. **PASSED OVER** the following bills:
 S. 836, the proposed Small Business Act Amendments of 1961. p. 16793
 S. 2491, to permit the application of the bulk commodity exemption when other commodities are concurrently transported in the same vessel. p. 16798
7. **PERSONNEL.** ~~Received from the Budget Bureau a proposed bill "to amend section 15 of the Administrative Expenses Act of 1946; to provide for regulation by the President of the employment of experts or consultants or organizations thereof."~~
~~p. 16775~~
 The Post Office and Civil Service Committee reported without amendment H. R. 7043, to extend to employees subject to the Classification Act of 1949 the benefits of salary increases in connection with the protection of basic compensation rates from the effects of downgrading actions (S. Rept. 864), ~~and H. R. 6141, to limit to cases involving the national security the prohibition on payment of annuities and retired pay to officers and employees of the Federal Government (S. Rept. 862).~~ p. 16776
~~Passed without amendment S. 2236, to authorize the Secretary of Commerce to employ aliens in a scientific or technical capacity. p. 16797~~
8. **RECLAMATION.** Received from Interior a report on the Waurika reclamation project, Okla., with accompanying papers; to Interior and Insular Affairs Committee. p. 16775
9. **FOOD.** Sen. Morse inserted a condensation of an address by Sen. Aiken, "Food -- America's Most Potent Weapon." pp. 16777-8
10. **FOREIGN AID.** Sen. Dworshak discussed foreign aid, saying, "The American workman has been sacrificed long enough on the altar of our foreign aid fallacy, which has only one answer to every problem: More American tax dollars with no strings attached." pp. 16786-7

Sen. Humphrey discussed the recent passage of the foreign aid authorization bill, saying, "this legislation provides the authority to the President for the United States to take the leadership in the march of the free nations across the threshold of a new era of social progress and economic development." pp. 16886-9

21. LEGISLATIVE PROGRAM. Sen. Mansfield announced that debate would begin Tues., Sept. 5, on the wilderness areas bill followed, later in the week, by consideration of the bill to provide for establishment of a Department of Urban Affairs and Housing, the bill to provide Federal aid to schools in federally impacted areas, and the Mexican farm labor bill. pp. 16897-81
22. ADJOURNED until Tues., Sept. 5. p. 16892

ITEMS IN APPENDIX

23. MANPOWER. Extension of remarks of Rep. Roosevelt stating that the proposed manpower development and training bill "is one, if not perhaps the most fundamental piece of legislation which this Congress will have the opportunity of approving," and inserting an article on this subject. p. A6924
24. CORN. Extension of remarks of Sen. Randolph stating that the nutritional importance of corn cannot be overemphasized and inserting an article paying tribute to the significance of corn in the American life. pp. A6925-6
25. FISH FARMING. Extension of remarks of Sen. Fulbright inserting an article, "Fish Farming Is Good Potential In Arkansas Rice Areas." pp. A6927-8
26. DAIRY RESEARCH. Extension of remarks of Sen. Wiley inserting an article expressing interest and enthusiasm for his proposed bill to establish a dairy research center to find new industrial and commercial uses for dairy products. p. A6929
27. FARM PROGRAM. Extension of remarks of Sen. Keating commending and inserting a statement by James B. Moore, National Apple Institute, "The Strength of American Agriculture." p. A6930
- Extension of remarks of Sen. Fulbright inserting an article, "Farm Subsidy Plan Necessary To Keep Economy Vigorous," and stating that it is "one of the best reasoned statements in justification of our farm program." pp. A6933-4
- Extension of remarks of Sen. Capehart inserting an article, "Needed: A Broader Agricultural Education." pp. A6939-41

BILLS INTRODUCED

28. FOREIGN TRADE. H. R. 9022, by Rep. Berry, to prohibit exports to Communist countries; to Interstate and Foreign Commerce Committee.
29. FOREIGN CURRENCIES. H. R. 9024, by Rep. Derwinski, to authorize the use of foreign currencies for repair and rehabilitation of certain cemeteries abroad; to Foreign Affairs Committee.

-0-

COMMITTEE HEARINGS ANNOUNCEMENTS:

Sept. 5: Watershed projects, H. Agriculture (exec) and S. Agriculture (exec).
Foreign aid appropriations, S. Appropriations (exec).
Peace Corps bill, H. Foreign Affairs (exec).

oOo

For supplemental information or copies of legislative material referred to, USDA personnel in Washington may call Ext. 4654 or send to Room 105-A.

PRESERVATION OF EXISTING SALARY IN CERTAIN CASES

SEPTEMBER 1, 1961.—Ordered to be printed

Mr. JOHNSTON, from the Committee on Post Office and Civil Service,
submitted the following

R E P O R T

[To accompany H.R. 7043]

The Committee on Post Office and Civil Service, to whom was referred the bill (H.R. 7043) to extend to employees subject to the Classification Act of 1949 the benefits of salary increases in connection with the protection of basic compensation rates from the effects of downgrading actions, to provide salary protection for postal field service employees in certain cases of reduction in salary standing, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE

The purpose of this measure is threefold as follows:

1. To extend to employees in the postal field service the same salary retention protection in cases of reduction in grade as provided employees under the Classification Act since 1956.
2. To validate certain statutory salary increases made pursuant to Civil Service Commission regulations but ruled not proper by the General Accounting Office.
3. To make ineligible for salary retention protection certain employees whose reduction in grade results from a temporary promotion to a higher grade.

STATEMENT

As to the first objective of this measure, there is general agreement that existing law should be amended so as to extend to postal field service employees to the same extent as it now applies to employees under the Classification Act. This position is strongly supported by the Post Office Department, the Civil Service Commission, and the

Bureau of the Budget, as may be seen from the official reports on the bill included herein.

Under present conditions an employee in the postal field service, despite years of service in a particular job, may find himself reduced in grade level through no fault on his part. The reduction may occur because the office is relegated to a lower classification or it could result from any one of a variety of other reasons none of which are within the control of the employee involved.

Under the bill, an employee whose reduction in grade level is not the result of a demotion for personal cause, is not at his own request, and is not the result of a reduction in force due to a lack of funds or curtailment of work, will continue to receive his former rate of pay for a period of not to exceed 2 years following the date his position is reduced to a lower grade level.

As a condition to such salary protection, the bill does, however, require that an employee must have served for 2 continuous years in the postal field service at the same or a higher salary and that his work at all times during such 2-year period was satisfactory or better.

The committee believes this portion of the measure is required as a matter of equity since it merely gives postal field service employees rights presently accorded employees under the Classification Act.

The need for the second objective of this measure arises from a ruling by the Comptroller General on September 19, 1960, to the effect that employees subject to the Classification Act who were downgraded prior to January 1958 and who initially were brought under the salary retention protection of section 507 of the Classification Act by Public Law 85-737, approved August 23, 1958, were not entitled to the benefit of subsequent statutory pay increases.

With the exception of a small number of employees in the General Accounting Office, the employees affected by that decision had the statutory salary increases added to their saved rates pursuant to instructions released prior to the Comptroller General's ruling.

The bill would validate such payments and would authorize the payment of similar increases to the employees concerned in the General Accounting Office who did not receive them at that time. To avoid future conflicts and confusion the bill amends section 507 of the Classification Act so as to provide for the inclusion of all statutory salary increases in retained rates.

The third objective is obtained by excluding from the salary savings provisions of section 507 of the Classification Act an employee who accepts a promotion on a temporary basis or for a limited time with the understanding that at its conclusion he will revert to his permanent rank. This provision is strongly supported by several agencies who find it necessary to promote employees for temporary periods or for specific assignments but would be prevented from doing so if the salary retention provisions were to apply after the employees return to their former positions. Enactment of this provision will be in the best interest of both the agency and employee involved.

AGENCY VIEWS

Following are letters from the Bureau of the Budget, the U.S. Civil Service Commission, and the Post Office Department in support of this measure:

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., August 1, 1961.

HON. OLIN D. JOHNSTON,
*Chairman, Committee on Post Office and Civil Service,
U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: Reference is made to your request for the views of the Bureau of the Budget respecting H.R. 7043, a bill to extend to employees subject to the Classification Act of 1949 the benefits of salary increases in connection with the protection of basic compensation rates from the effects of downgrading actions, to provide salary protection for postal field service employees in certain cases of reduction in salary standing, and for other purposes, which passed the House of Representatives July 17, 1961, and is now pending before your committee.

With the exception discussed below, H.R. 7043 is identical with S. 1963 on which this Bureau submitted a report on July 8, 1961.

H.R. 7043, unlike S. 1963, provides an effective date for title II of the bill, respecting postal field service employees, of July 1, 1961, rather than date of enactment. With this change in the effective date, the bill would encompass actions taken as a result of the 1961 annual review of postmaster salary levels. The Postmaster General has advised that, provided the bill is enacted in this session of the Congress, the degree of retroactivity involved in a July 1, 1961, effective date would cause no administrative burden.

Accordingly, provided the bill is enacted in the current session of Congress, there would be no objection to enactment of H.R. 7043 as passed the House of Representatives.

Sincerely yours,

PHILLIP S. HUGHES,
Assistant Director for Legislative Reference.

CIVIL SERVICE COMMISSION,
Washington, D.C., August 11, 1961.

HON. OLIN D. JOHNSTON,
*Chairman, Committee on Post Office and Civil Service,
U.S. Senate.*

DEAR SENATOR JOHNSTON: This is in further response to your letter of July 20, 1961, requesting our comments on H.R. 7043, entitled "A bill to extend to employees subject to the Classification Act of 1949 the benefits of salary increases in connection with the protection of basic compensation rates from the effects of downgrading actions, to provide salary protection for postal field service employees in certain cases of reduction in salary standing, and for other purposes."

H.R. 7043 would amend the salary retention provisions of the Classification Act and in addition provide similar salary retention benefits for postal field service employees. Title I, which amends the Classification Act provisions, has two basic purposes. It would amend section 507 so as to provide for the inclusion of statutory salary increases in retained rates, and it would further amend the same section so as to make ineligible for salary retention an employee whose reduction in grade is a condition of his temporary promotion to a higher grade.

The Commission strongly endorses enactment of H.R. 7043.

Title I of H.R. 7043 is identical to title I of S. 1963 on which the Commission reported to your committee by letter of July 19, 1961, copy attached. The need for this legislation is explained in that letter.

Title II of H.R. 7043 provides salary retention for the postal field service employees. Since salary retention is provided for Classification Act employees, it seems only fair to afford the same protection to postal field service employees. Title II of H.R. 7043 differs from title II of S. 1963 in that it would provide salary retention for postal employees reduced in salary standing after July 1, 1961, while title II of S. 1963 would provide salary retention only for postal employees reduced in salary standing on or after the date of its enactment.

The Commission favors salary retention for postal employees in principle but defers to the Post Office Department with respect to the detailed provisions of title II.

The Bureau of the Budget advises that from the standpoint of the administration's program there is no objection to the submission of this report.

By direction of the Commission:

Sincerely yours,

JOHN W. MACY, Jr., *Chairman.*

CIVIL SERVICE COMMISSION,
Washington, D.C., July 19, 1961.

HON. OLIN D. JOHNSTON,
Chairman, Committee on Post Office and Civil Service,
U.S. Senate.

DEAR SENATOR JOHNSTON: This is in further response to your letter of June 1, 1961, requesting our comments on S. 1963, entitled "A bill to extend to employees subject to the Classification Act of 1949 the benefits of salary increases in connection with the protection of basic compensation rates from the effects of downgrading actions, to provide salary protection for postal field service employees in certain cases of reduction in salary standing, and for other purposes."

S. 1963 would amend the salary retention provisions of the Classification Act and in addition provide similar salary retention benefits for postal field service employees. Title I which amends the Classification Act provisions has two basic purposes. It would amend section 507 so as to provide for the inclusion of statutory salary increases in retained rates and it would further amend the same section so as to make ineligible for salary retention an employee whose reduction in grade is a condition of his temporary promotion to a higher grade.

The Commission strongly endorses enactment of S. 1963.

In connection with section 507 as amended by the act of August 23, 1958, the Commission issued instructions for inclusion of the 1955 and 1958 pay increases in the retained rates. It was the Commission's understanding that the act of August 23, 1958, would not deprive employees of the advantage of those statutory increases. Subsequently, however, the Comptroller General ruled that the Commission's interpretation was incorrect and that payments to employees affected were improper. The Commission favors legislation which would relieve the employees concerned of their obligation to repay the Government overpayments which they received in good faith and

which were paid to them in accordance with what the Commission believed to be the original intent of the act of August 23, 1958. We believe that the employees would suffer an unfair hardship if they were required to repay these sums.

The Commission prepared legislation which would relieve the employees of the obligation to repay the overpayments. This proposal was introduced as S. 1639. The Commission's proposal would validate the retained rates which included the 1958 pay increase, and, in fairness, would require retroactive payments to any employee whose retained rate did not include that salary increase. Enactment of S. 1963 will serve both of these purposes equally as well. If S. 1963 is enacted, enactment of the Commission-proposed measure will be unnecessary.

While the Commission does not believe adjustment of retained rates by future statutory salary increases is either necessary or desirable, we do not object to that aspect of the bill since, as a practical matter, pay-increase legislation has regularly provided for the adjustment of such rates. The objectives of salary retention could be achieved without adjustment of the retained rate by future statutory salary increases, but a provision for such adjustment will cause little change in existing practice if salary-increase legislation continues to follow the pattern set in recent years.

The Commission also favors that provision of S. 1963 which would make ineligible for salary retention employees whose reduction in grade is a condition of future temporary promotions to higher grade. In our opinion, an employee who receives a temporary promotion with full knowledge of its temporary nature and of his expected return to the lower grade position should not be entitled to salary retention benefits. These benefits were intended to alleviate the hardships resulting from unexpected demotions. They were not intended to result in additional pay to employees who accept promotions with the expectation of future demotions.

While the proposed amendment relating to temporary promotions can be expected to affect only a relatively small number of employees because salary retention now applies only to employees who have occupied the higher grade position for a period of 2 years, the amendment is desirable in order that such temporary promotions of longer duration as are made in the future will not confer salary retention benefits. It will be imperative in the application of this provision that departments and agencies have a clear understanding with employees as to the effect on salary retention benefits of any temporary promotions effected.

Title II of the bill provides salary retention for postal field service employees. Since salary retention is provided for Classification Act employees, it seems only fair to afford the same protection to postal field service employees. The Commission, accordingly, favors salary retention for postal employees in principle but defers to the Post Office Department with respect to the detailed provisions of title II.

The Bureau of the Budget advises that from the standpoint of the administration's program there is no objection to the submission of this report.

By direction of the Commission:

Sincerely yours,

JOHN W. MACY, Jr., *Chairman.*

OFFICE OF THE POSTMASTER GENERAL,
Washington, D.C., August 24, 1961.

HON. OLIN D. JOHNSTON,
Chairman, Committee on Post Office and Civil Service,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your letter of July 20, requesting my views on H.R. 7043 as passed by the House of Representatives July 17, 1961.

It is noted that title II of the House bill provides for an effective date of July 1, 1961. In this connection, your attention is invited to our letter of August 16 containing our views on S. 1963, a companion measure. As stated in our letter of August 16, the Department strongly favors early enactment of either bill, and would have no objection to making title II effective as of July 1, 1961, provided it becomes law during the 1st session of the 87th Congress.

Sincerely yours,

J. EDWARD DAY,
Postmaster General.

CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, existing law in which no change is proposed is shown in roman, new matter is printed in italic):

SECTION 507 OF THE CLASSIFICATION ACT OF 1949, AS AMENDED

SEC. 507. (a) Subject to the limitation contained in subsection (c) of this section, each officer or employee subject to this Act—

(1) who at any time after June 17, 1956, is or was reduced in grade from any grade of a basic compensation schedule of this Act (other than grade 16, 17, or 18 of the General Schedule);

(2) who, on the effective date of such reduction in grade, holds or held a career or career-conditional appointment in the competitive civil service or an appointment of equivalent tenure in the excepted service or holds or held a position outside the competitive civil service and the excepted service as an officer or employee of the Library of Congress, of the Architect of the Capitol, of the Botanic Garden, or of the municipal government of the District of Columbia;

(3) whose reduction in grade is not or was not caused by a demotion for personal cause, is not or was not at his own request, [and] is not or was not effected in a reduction in force due to lack of funds or curtailment of work *and, with respect to each temporary promotion occurring on or after the date of enactment of this amendment, is not a condition of his temporary promotion to a higher grade;*

(4) who, for two continuous years immediately prior to such reduction in grade, served (A) in the same department and (B) in the same grade or in the same and higher grades; and

(5) whose performance of work at all times during such period of two years is or was satisfactory or better than satisfactory,

shall be entitled, as of the effective date of such reduction in grade or as of the first day of the first pay period which begins after the date of enactment of this amendment, whichever is later, unless or until he is entitled to receive basic compensation at a higher rate by reason of the operation of this Act, or until the expiration of a period of two years immediately following the effective date of such reduction in grade or immediately following the first day of such first pay period, as applicable, to receive the rate of basic compensation to which he was entitled immediately prior to such reduction in grade (*including each increase provided by law in such rate of basic compensation*) so long as he continues in the same department without any break in service of one workday or more and is not demoted or reassigned for personal cause, at his own request, or in a reduction in force due to lack of funds or curtailment of work.

(b) Subject to the limitation contained in subsection (c) of this section, each officer or employee subject to this Act—

(1) who, during the period beginning July 1, 1954, and ending June 17, 1956, was reduced in grade from any grade of a basic compensation schedule of this Act (other than grade 16, 17, or 18 of the General Schedule);

(2) whose reduction in grade was not caused by a demotion for personal cause, was not at his own request, and was not effected in a reduction in force due to lack of funds or curtailment of work;

(3) who, for two continuous years immediately prior to such reduction in grade, served (A) in the same department and (B) in the same grade or in the same and higher grades;

(4) whose performance of work at all times during such period of two years was satisfactory or better than satisfactory; and

(5) whose employment in the same department has been continuous since such reduction in grade and who, since such reduction in grade, has not been demoted or reassigned for personal cause, at his own request, or in a reduction in force due to lack of funds or curtailment of work,

shall be entitled, as of the first day of the first pay period which begins after the date of enactment of this amendment, unless or until he is entitled to receive basic compensation at a higher rate by reason of the operation of this Act, or until the expiration of a period of two years immediately following the first day of such first pay period, as applicable, to receive the rate of basic compensation to which he was entitled immediately prior to such reduction in grade (*including each increase provided by law in such rate of basic compensation*) so long as he continues in the same department without any break in service of one workday or more and is not demoted or reassigned for personal cause, at his own request, or in a reduction in force due to lack of funds or curtailment of work.

(c) The rate of basic compensation to which such officer or employee is entitled under subsection (a) or (b) of this section with respect to each reduction in grade to which this section applies shall not exceed the sum of (1) the minimum scheduled rate of the grade to which he is reduced under each such reduction in grade occurring on or after July 1, 1954, (*including each increase provided by law in such rate*) and (2) the difference between his rate immediately prior to the first of such reductions in grade occurring on or after July 1,

1954, (*including each increase provided by law in such rate*) and the minimum scheduled rate of that grade which is three grades lower than the grade from which he was reduced under the first of such reductions in grade (*including each increase provided by law in such rate*).

(d) The Civil Service Commission is authorized to issue regulations to carry out the purposes of this section.

THAT PART OF CHAPTER 45 OF TITLE 39 OF THE UNITED STATES CODE UNDER THE HEADING "SALARY STEPS AND PROMOTIONS"

CHAPTER 45—COMPENSATION IN THE POSTAL FIELD SERVICE

* * * * *

SALARY STEPS AND PROMOTIONS

- 3551. Appointments to positions in the postal field service.
- 3552. Automatic advancement by step-increases.
- 3553. Creditable service for advancement.
- 3554. Compensation of certain temporary employees.
- 3555. Reduction in salary step.
- 3556. Automatic advancement withheld.
- 3557. Automatic advancement of substitute employee deferred.
- 3558. Longevity step increases.
- 3559. Promotions.
- 3560. *Salary protection.*

* * * * *

SALARY STEPS AND PROMOTIONS

§ 3551. Appointments to positions in the postal field service

(a) The Postmaster General may appoint any person who has been employed in a civilian capacity in any branch of the Government to any position in a regional or district office or to any professional or scientific position and may place him in any step in the salary level of the Postal Field Service Schedule which is less than one full step above the highest basic salary which he received from the United States.

(b) The Postmaster General may appoint any employee of the legislative branch whose compensation is disbursed by the Secretary of the Senate or the Clerk of the House of Representatives, and who has completed two or more years of service as such an employee, to any position in the postal field service and may fix his initial rate of compensation at the minimum rate of the appropriate level of the basic salary schedule applicable to the position, or at any step of that level that does not exceed the highest previous rate of compensation received by him during his service in the legislative branch.

§ 3552. Automatic advancement by step increases

(a) Except as to a substitute employee in the Postal Transportation Service whose position is allocated to salary level PFS-5 as a distribution clerk in a railway or highway post office, each employee whose position is allocated to the Rural Carrier Schedule, the Fourth Class Office Schedule, or the Postal Field Service Schedule, who has not reached the highest step for his position, shall be advanced succes-

sively to the next higher step for his position at the beginning of the first pay period following the completion of each fifty-two calendar weeks of satisfactory service, if no equivalent increase in basic salary from any cause was received during the period of fifty-two calendar weeks. The benefit of successive step-increases shall be preserved, under regulations prescribed by the Postmaster General, for employees whose continuous service is interrupted by service in the Armed Forces.

(b) Each substitute employee in the Postal Transportation Service, whose position is allocated to salary level PFS-5 as a distribution clerk in a railway or highway post office, shall be advanced in the manner prescribed for other employees under subsection (a) of this section, but may not be advanced beyond step four of salary level PFS-5.

§ 3553. Creditable service for advancement

Each employee in the postal field service is eligible to earn step-increases in accordance with this chapter. Except for temporary rural carriers serving in the absence of regular rural carriers on leave without pay or on military leave, credit may not be allowed for time on the rolls under a temporary appointment for one year or less unless the time on the rolls is continuous to the date of appointment to a position of unlimited duration.

§ 3554. Compensation of certain temporary employees

Temporary employees hired for a continuous period of one year or less for a position under the Postal Field Service Schedule shall be paid a basic salary at the entrance step for the salary level of the position to which they are appointed.

§ 3555. Reduction in salary step

The Postmaster General may reduce in salary step, clerks or carriers whose efficiency falls below a fair standard or whenever it is necessary for purposes of discipline. At the beginning of any pay period commencing ninety days after a reduction in salary of such an employee, the Postmaster General may restore him to his former salary or advance him to an intermediate salary. That action is not regarded as an "equivalent increase in basic salary."

§ 3556. Automatic advancement withheld

At the beginning of any pay period commencing ninety days after the withholding of an automatic advancement of an employee for unsatisfactory service, the Postmaster General may advance him, on evidence that his record has been satisfactory during the intervening period.

§ 3557. Automatic advancement of substitute employee deferred

The Postmaster General shall defer the automatic promotion of a substitute employee who is absent on leave without pay and not available for duty for ninety days or more during a calendar year in proportion to the time the employee is absent on leave without pay.

§ 3558. Longevity step increases

(a) There are established for each employee longevity steps A, B, and C. For each promotion to a longevity step—

(1) each postmaster at a post office of the fourth class shall receive an amount equal to 5 per centum of his basic salary, or \$100 per annum, whichever is the lesser, and

(2) each employee, other than a postmaster at a post office of the fourth class, shall receive \$100 per annum.

In computing the percentage increase under this subsection the amount of the increase shall be rounded to the nearest dollar. A half dollar or one half cent shall be rounded to the next highest dollar or cent, respectively.

(b) Each employee shall be assigned to—

(1) longevity step A at the beginning of the pay period following the completion of thirteen years of service;

(2) longevity step B at the beginning of the pay period following the completion of eighteen years of service; and

(3) longevity step C at the beginning of the pay period following the completion of twenty-five years of service.

(c)(1) There shall be credited, for the purposes of subsection (b) time on the rolls—

(A) in the postal field service or in the Post Office Department, except time on the rolls as a substitute rural carrier;

(B) in the custodial service of the Department of the Treasury continuous to the date of the transfer of the employee to the custodial service of the Post Office Department in accordance with Executive Order Numbered 6166, dated June 10, 1933;

(C) as a special delivery messenger at a first class post office;

(D) as a clerk in a third class post office for which payment is made from authorized allowances;

(E) under the Postal Accounts Division, including time on the rolls under the former Post Office Department Division, in the General Accounting Office continuous to the date of the transfer of the employee to the Post Office Department in accordance with section 7(a) of the Post Office Department Financial Control Act of 1950; and

(F) in the Panama Canal Zone postal service.

(2) In determining longevity credit for the purposes of subsection (b) in the case of an employee whose continuous service in the postal field service or in the departmental service of the Post Office Department is interrupted by service with the Armed Forces or to comply with a transfer during war or national emergency as defined by the United States Civil Service Commission, time engaged in that service with the Armed Forces or on the transfer shall be credited pro rata for each week of the service. Service specified in this subsection, whether continuous or intermittent, shall be credited on the basis of one week for each whole week the employee has been on the rolls, except that credit may not be allowed for time on the rolls under a temporary appointment for one year or less unless the time on the rolls is continuous to the date of appointment to a position of unlimited duration.

(d) Increases under this section are not equivalent increases within the meaning of section 3552 of this title.

(e) Payment of longevity compensation may not be made by reason of clause (F) of subsection (c) (1) of this section, for any period prior to September 6, 1958.

§ 3559. Promotions

(a) An employee who is promoted or transferred to a position in a higher salary level of the Postal Field Service Schedule shall be paid basic salary at the lowest step of the higher salary level which

exceeds his existing basic salary by not less than the amount of difference between the entrance step of the salary level from which promoted and the entrance step of the salary level immediately above the salary level from which promoted. If there is no step in the salary level to which the employee is promoted which exceeds his existing basic salary by at least the amount of the difference, the employee shall be paid (1) the maximum step of the salary level to which promoted, or (2) his existing basic salary, whichever is higher.

(b) Regular clerks and carriers in first and second class post offices are not eligible for promotion to positions of higher salary levels in their respective offices unless they are in the maximum steps of their respective salary levels. If for any reason clerks and carriers in the maximum steps are not available those clerks and carriers in the lower steps in the offices are eligible for the promotion.

§ 3560. *Salary protection*

(a) *As used in this section, the term "salary standing" means—*

(1) *basic salary and salary level, with respect to the Postal Field Service Schedule (excluding salary levels PFS 17, 18, 19, and 20),*

(2) *salary for the particular route (including additional compensation for forty hours and under for serving heavily patronized routes), with respect to the Rural Carrier Schedule, and*

(3) *gross receipts category, with respect to the Fourth-Class Office Schedule.*

(b) *Subject to the provisions of subsection (c) of this section, each employee—*

(1) *who at any time on or after July 1, 1961, is or was reduced in salary standing;*

(2) *who, on the effective date of such reduction in salary standing holds or held a career appointment or a probational appointment in the postal field service;*

(3) *whose reduction in salary standing is not or was not caused by a demotion for personal cause, is not or was not at his own request, is not or was not a condition of his temporary promotion or temporary assignment to a higher salary standing, is not or was not a condition of his temporary appointment, and is not or was not effected in a reduction in force due to lack of funds or curtailment of work;*

(4) *who, for two continuous years immediately prior to such reduction in salary standing, served in the postal field service with the same salary standing or with the same and higher salary standing; and*

(5) *whose performance of work at all times during such period of two years is or was satisfactory;*

shall be entitled, as of the effective date of such reduction in salary standing or as of the first day of the first pay period which begins on or after the date of enactment of this section, whichever is later, unless or until he is entitled to receive basic salary at a higher rate by reason of the operation of this section, or until the expiration of a period of two years immediately following the effective date of such reduction in salary standing or immediately following the first day of such pay period, as applicable, to receive the rate of basic salary to which he was entitled immediately prior to such reduction in salary standing (including each increase provided by law in such rate of basic salary) so long as he continues in the postal field service without any break in service of one workday or more and is

not demoted or reassigned for personal cause, at his own request, or in a reduction in force due to lack of funds or curtailment of work.

(c) The rate of basic salary to which such employee is entitled under subsection (b) of this section with respect to each reduction in salary standing to which this section applies shall be the lesser of the following:

(A) the amount of the existing rate of basic salary of the employee immediately prior to the reduction in salary standing (including each increase provided by law in such rate); or

(B) the amount of the rate of the salary level or salary range (including each increase provided by law in such rate) to which the employee is reduced, increased by 25 per centum.

(d) The Postmaster General is authorized to issue regulations to carry out the purposes of this section.

(e) (1) For the purposes of section 3559(a), the existing basic salary shall be the basic salary which the employee would have received except for the provisions of this section.

(2) For the purposes of section 3544(h), the basic compensation earned shall be the basic compensation which the employee would have received except for the provisions of this section.

(f) For the purposes of this section, the term "curtailment of work" does not include—

(1) reductions in class or gross receipts category of any post office, or

(2) reductions in route mileage for rural carriers.



Calendar No. 846

87TH CONGRESS
1ST SESSION

H. R. 7043

[Report No. 864]

IN THE SENATE OF THE UNITED STATES

JULY 18, 1961

Read twice and referred to the Committee on Post Office and Civil Service

SEPTEMBER 1, 1961

Reported by Mr. JOHNSTON of South Carolina, without amendment

AN ACT

To extend to employees subject to the Classification Act of 1949 the benefits of salary increases in connection with the protection of basic compensation rates from the effects of downgrading actions, to provide salary protection for postal field service employees in certain cases of reduction in salary standing, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 TITLE I—SALARY PROTECTION FOR EMPLOYEES

4 SUBJECT TO CLASSIFICATION ACT OF 1949

5 AMENDMENTS TO CLASSIFICATION ACT OF 1949

6 SEC. 101. (a) Section 507 of the Classification Act of
7 1949, as amended (72 Stat. 830; Public Law 85-737; 5
8 U.S.C. 1107), is amended—

1 (1) by inserting “(including each increase pro-
2 vided by law in such rate of basic compensation)” im-
3 mediately following “to receive the rate of basic com-
4 pensation to which he was entitled immediately prior
5 to such reduction in grade” in subsections (a) and (b)
6 of such section;

7 (2) by striking out “and” in paragraph (3) of such
8 subsection (a);

9 (3) by inserting “and, with respect to each tem-
10 porary promotion occurring on or after the date of enact-
11 ment of this amendment, is not a condition of his tem-
12 porary promotion to a higher grade” immediately
13 before the semicolon at the end of such paragraph (3);
14 and

15 (4) by inserting “(including each increase pro-
16 vided by law in such rate)” immediately following
17 “July 1, 1954”, wherever occurring in subsection (c)
18 of such section, and immediately before the period at
19 the end of such subsection.

20 (b) (1) The amendments made by subparagraphs (1)
21 and (4) of subsection (a) of this section shall become
22 effective as of August 23, 1958.

23 (2) The amendments made by subparagraphs (2) and
24 (3) of such subsection (a) shall become effective on the
25 date of enactment of this Act.

1 RETROACTIVE COMPENSATION; VALIDATION OF PAYMENTS;
2 RELATION OF PAYMENTS TO CIVIL SERVICE RETIRE-
3 MENT ACT AND FEDERAL EMPLOYEES' GROUP LIFE
4 INSURANCE ACT OF 1954

5 SEC. 102. (a) (1) Except as otherwise provided in
6 paragraph (2) of this subsection, payments of increases pro-
7 vided by law in rates of basic compensation are hereby
8 authorized, and shall be made, in accordance with the amend-
9 ments made by subparagraphs (1) and (4) of subsection
10 (a) of section 101 of this title to section 507 of the Classi-
11 fication Act of 1949, as amended (5 U.S.C. 1107), and in
12 accordance with other applicable provisions of such section
13 507, as amended, for services to which the provisions of
14 such section 507, as amended, apply and which were ren-
15 dered in the period beginning on the first day of the first pay
16 period commencing after August 23, 1958, and ending at
17 the expiration of two years immediately following the first
18 day of such first pay period, with respect to each individual
19 who, on the date of enactment of this Act, is on any employ-
20 ment roll of the Federal Government or of the municipal
21 government of the District of Columbia, as follows—

22 (A) to such individual for such services so rendered
23 by him, if, on such date of enactment, he (i) is on any
24 such employment roll, (ii) is in the service of the Armed
25 Forces of the United States, or (iii) is retired under any

1 retirement law or retirement system for civilian officers
2 and employees in or under the Federal Government or
3 the municipal government of the District of Columbia;
4 or

5 (B) to the survivor or survivors, in accordance
6 with the Act of August 3, 1950 (Public Law 636,
7 Eighty-first Congress), as amended (5 U.S.C. 61f-
8 61k), of any such individual (for such services so
9 rendered by him) who has died prior to such date of
10 enactment, if, at the time of his death, such individual
11 was (i) on any such employment roll, (ii) in the serv-
12 ice of the Armed Forces of the United States, or (iii)
13 retired under any such retirement law or retirement
14 system.

15 (2) Payments of increases provided by law in rates of
16 basic compensation which were made for services described
17 in paragraph (1) of this subsection and rendered in the
18 period described in such paragraph, and which would have
19 been authorized under the amendments made by subpara-
20 graphs (1) and (4) of subsection (a) of section 101 of
21 this title if such amendments had been in effect at the time
22 such services were rendered in such period, are hereby vali-
23 dated to the same extent as if such amendments had been in
24 effect during such period.

25 (b) (1) Payments of increases described in paragraph

1 (1) of subsection (a) of this section shall not be considered
2 as basic salary for the purposes of the Civil Service Retirement
3 Act (5 U.S.C. 2251-2267) in the case of any retired
4 or deceased individual described in subparagraph (A) or
5 (B) of such paragraph (1).

6 (2) Payments of increases validated by paragraph (2)
7 of such subsection (a) shall be considered as basic salary
8 for purposes of such Act.

9 (c) For the purposes of this section, service in the
10 Armed Forces of the United States, in the case of an individual
11 relieved from training and service in the Armed
12 Forces of the United States or discharged from hospitalization
13 following such training and service, shall include the
14 period provided by law for the mandatory restoration of
15 such individual to a position in or under the Federal Government
16 or the municipal government of the District of
17 Columbia.

18 (d) (1) Increases in rates of basic compensation authorized
19 to be paid by paragraph (1) of subsection (a) of this
20 section shall not be held or considered to be annual compensation
21 for the purposes of the Federal Employees' Group
22 Life Insurance Act of 1954, as amended (5 U.S.C. 2091-
23 2103).

24 (2) Each change in rate of basic compensation made in

1 the period described in paragraph (1) of subsection (a) of
2 this section by reason of any payment validated by paragraph
3 (2) of such subsection shall be held and considered to be
4 effective for group life insurance purposes under the Federal
5 Employees Group Life Insurance Act of 1954, as amended
6 (5 U.S.C. 2091-2103), as of the first day of the first pay
7 period following the pay period in which the payroll change
8 was approved with respect to such individual.

9 SAVINGS PROVISIONS

10 SEC. 103. (a) Nothing in this title or in the amend-
11 ments made by this title shall be held or considered to mod-
12 ify, supersede, or otherwise affect the application and oper-
13 ation of section 24 of title 13 of the United States Code,
14 which contains special provisions with respect to the assign-
15 ment, promotion, appointment, detail, and other utilization
16 of nontemporary employees of the Bureau of the Census in
17 the Department of Commerce in temporary positions in con-
18 nection with any census.

19 (b) Nothing in this title or in the amendments made by
20 this title shall be held or considered to modify, change, or
21 otherwise affect any increase in a saved rate of basic com-
22 pensation paid in accordance with the Federal Employees
23 Salary Increase Act of 1960 (part B of title I of the Act of
24 July 1, 1960; 74 Stat. 298; Public Law 86-568).

1 TITLE II—SALARY PROTECTION FOR POSTAL
2 FIELD SERVICE EMPLOYEES

3 PROTECTION OF SALARY STANDING OF POSTAL FIELD
4 SERVICE EMPLOYEES

5 SEC. 201. That part of chapter 45 of title 39 of the
6 United States Code under the heading “Salary Steps and
7 Promotions” is amended by adding at the end thereof the
8 following new section:

9 “§ 3560. Salary protection

10 “(a) As used in this section, the term ‘salary stand-
11 ing’ means—

12 “(1) basic salary and salary level, with respect
13 to the Postal Field Service Schedule (excluding sal-
14 ary levels PFS 17, 18, 19, and 20),

15 “(2) salary for the particular route (including ad-
16 ditional compensation for forty hours and under for
17 serving heavily patronized routes), with respect to the
18 Rural Carrier Schedule, and

19 “(3) gross receipts category, with respect to the
20 Fourth-Class Office Schedule.

21 “(b) Subject to the provisions of subsection (c) of this
22 section, each employee—

23 “(1) who at any time on or after July 1, 1961,
24 is or was reduced in salary standing;

1 “(2) who, on the effective date of such reduction
2 in salary standing, holds or held a career appointment or
3 a probational appointment in the postal field service;

4 “(3) whose reduction in salary standing is not or
5 was not caused by a demotion for personal cause, is not
6 or was not at his own request, is not or was not a condi-
7 tion of his temporary promotion or temporary assign-
8 ment to a higher salary standing, is not or was not a
9 condition of his temporary appointment, and is not or
10 was not effected in a reduction in force due to lack of
11 funds or curtailment of work;

12 “(4) who, for two continuous years immediately
13 prior to such reduction in salary standing, served in
14 the postal field service with the same salary standing or
15 with the same and higher salary standing; and

16 “(5) whose performance of work at all times during
17 such period of two years is or was satisfactory;

18 shall be entitled, as of the effective date of such reduction
19 in salary standing or as of the first day of the first pay period
20 which begins on or after the date of enactment of this section,
21 whichever is later, unless or until he is entitled to receive
22 basic salary at a higher rate by reason of the operation of this
23 section, or until the expiration of a period of two years im-
24 mediately following the effective date of such reduction in
25 salary standing or immediately following the first day of such

1 first pay period, as applicable, to receive the rate of basic
2 salary to which he was entitled immediately prior to such
3 reduction in salary standing (including each increase pro-
4 vided by law in such rate of basic salary) so long as he
5 continues in the postal field service without any break in
6 service of one workday or more and is not demoted or re-
7 assigned for personal cause, at his own request, or in a
8 reduction in force due to lack of funds or curtailment of
9 work.

10 “(c) The rate of basic salary to which such employee
11 is entitled under subsection (b) of this section with re-
12 spect to each reduction in salary standing to which this
13 section applies shall be the lesser of the following:

14 “(A) the amount of the existing rate of basic
15 salary of the employee immediately prior to the reduc-
16 tion in salary standing (including each increase pro-
17 vided by law in such rate) ; or

18 “(B) the amount of the rate of the salary level
19 or salary range (including each increase provided by
20 law in such rate) to which the employee is reduced,
21 increased by 25 per centum.

22 “(d) The Postmaster General is authorized to issue
23 regulations to carry out the purposes of this section.

24 “(e) (1) For the purposes of section 3559 (a), the
25 existing basic salary shall be the basic salary which the

1 employee would have received except for the provisions of
2 this section.

3 “(2) For the purposes of section 3544 (h), the basic
4 compensation earned shall be the basic compensation which
5 the employee would have received except for the pro-
6 visions of this section.

7 “(f) For the purposes of this section, the term ‘cur-
8 tailment of work’ does not include—

9 “(1) reductions in class or gross receipts cate-
10 gory of any post office, or

11 “(2) reductions in route mileage for rural carriers.”

12 CONFORMING AMENDMENT

13 SEC. 202. That part of the table of contents of chapter
14 45 of title 39 of the United States Code under the heading
15 “SALARY STEPS AND PROMOTIONS” is amended by in-
16 serting

“3560. Salary protection.”

17 immediately below

“3559. Promotions.”.

Passed the House of Representatives July 17, 1961.

Attest:

RALPH R. ROBERTS,

Clerk.

87TH CONGRESS
1ST SESSION

H. R. 7043

[Report No. 864]

AN ACT

To extend to employees subject to the Classification Act of 1949 the benefits of salary increases in connection with the protection of basic compensation rates from the effects of downgrading actions, to provide salary protection for postal field service employees in certain cases of reduction in salary standing, and for other purposes.

JULY 18, 1961

Read twice and referred to the Committee on Post
Office and Civil Service

SEPTEMBER 1, 1961

Reported without amendment

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE
(For information only;
should not be quoted
or cited)

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HIGHLIGHTS: House committee reported bills to permit wheat producers to withdraw from stored excess and to permit farms on which summer fallow is practiced to participate in feed grains program. House committee voted to report bill to increase number of supergrade positions. Sens. Humphrey and Proxmire criticized Gov. Rockefeller's farm policy statements. House received conference report on Labor-HEW appropriation bill.

SENATE

1. **PEANUTS.** Passed without amendment H. R. 1021, to extend for 2 years the definition of peanuts which is now in effect under the Agricultural Adjustment Act of 1938 so as to exclude from acreage allotments and marketing quotas any peanuts produced and marketed for consumption as boiled peanuts. This bill will now be sent to the President. p. 17334

2. **PERSONNEL.** ~~Passed with amendments H. R. 2883, to provide for the defense of suits by the Government against Federal employees arising out of their operation of motor vehicles in the scope of their employment (pp. 17339, 17349-51). Agreed to an amendment by Sen. Keating which he stated "would not require the plaintiff's consent to removal of suits against individual employees, but it would require the Attorney General -- as a condition of removal -- to certify that the employee was acting within the scope of his employment at the time of the incident out of which the suit arose" (pp. 17349-51).~~

Passed without amendment H. R. 7043, to extend to employees subject to the Classification Act of 1949 the benefits of salary increases in connection with

the protection of basic compensation rates from the effects of downgrading actions. This bill will now be sent to the President. p. 17305

~~Passed as reported S. 502, to authorize the employment of retired Federal employees by the D. C. Board of Education and authorize the employment of retired employees by the D. C. Board of Education by the Federal Government. p. 17305~~

~~Received from the Joint Committee on Reduction of Nonessential Federal Expenditures a report on Federal employment and pay for July 1961. pp. 17289-92~~

~~Sen. Bennett inserted a newspaper editorial "expressing dismay with the continual expansion of Federal activities in the American life, and a continued growth of the Federal payroll." p. 17385~~

3. CIVIL DEFENSE. Passed without amendment H. R. 8406, to change the name of the Office of Civil and Defense Mobilization to the Office of Emergency Planning. This bill will now be sent to the President. p. 17303
4. FOREIGN AID. Passed as reported S. 2423, to provide for the appointment of a U. S. representative to the Organization for Economic Cooperation and Development. p. 17309
5. FARM PROGRAM. Sen. Proxmire deplored N. Y. Gov. Rockefeller's criticism of Secretary Freeman for supporting legislation to provide for national milk sanitation standards and stated that "Consumers will be bitterly disappointed that a figure of Governor Rockefeller's reputation should attack the interest of the Nation's consumers on behalf of the short-run economic interest of part of the New York State dairy industry." p. 17296
Sen. Humphrey criticized Gov. Rockefeller's statement and defended proposed legislation to provide for the establishment of national milk sanitation standards. pp. 17340-6
6. CULTURAL EXCHANGES. Passed with an amendment H. R. 8666, to provide for the improvement and strengthening of the international relations of the U. S. by promoting better mutual understanding among the peoples of the world through educational and cultural exchanges, after substituting the text of a similar bill, S. 1154. Conferees were appointed. p. 17365
7. SMALL BUSINESS. Passed with amendment H. R. 8762, the proposed Small Business Act Amendments of 1961, after substituting the text of similar bill, S. 336 as amended. Consideration of S. 836 was postponed indefinitely. Conferees were appointed. pp. 17317-34
8. RECLAMATION. The Interior and Insular Affairs Committee reported with amendment S. 970, to authorize the Secretary of the Interior to construct and maintain the Mid-State reclamation project, Nebr. (S. Rept. 884). p. 17288
9. MINERALS. At the request of Sen. Byrd, S. 1747, to stabilize the mining of lead and zinc through Federal payments to domestic miners of lead and zinc ores and concentrates, was taken from the calendar and referred to the Finance Committee for consideration. p. 17295
10. FORESTRY. Sen. Neuberger urged enactment of legislation to provide for the establishment of a national wilderness areas preservation system. pp. 17316-7
Sen. Neuberger urged enactment of legislation to provide for the establishment of an Oregon Dunes National Seashore, which would involve national forest lands, and inserted a report by the Committee for the Oregon Dunes favoring such legislation, "The Oregon Dunes and the Wise Decision." pp. 17314-6

the U.S. Secret Service Division, who were retired or who died in the service of any such organization prior to the effective date of such amendments, was announced as next in order.

Mr. FONG. Over, Mr. President.

The VICE PRESIDENT. The bill will be passed over.

The bill (H.R. 6775), to amend the Shipping Act, 1916, as amended, to provide for the operation of steamship conferences, was announced as next in order.

Mr. BARTLETT. Over, Mr. President. The bill is not properly calendar business.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1728) to amend section 510 of the Merchant Marine Act, 1936, to provide for the trade-in of obsolete vessels in connection with the construction of new vessels, either at the time of executing the construction contract or at the time of delivery of the new vessel, was announced as next in order.

Mr. FONG. Over, Mr. President.

The VICE PRESIDENT. The bill will be passed over.

The bill (H.R. 6141) to amend the act of September 1, 1954, in order to limit to cases involving the national security the prohibition on payment of annuities and retired pay to officers and employees of the United States, to clarify the application and operation of such act, and for other purposes, was announced as next in order.

Mr. FONG. Over, Mr. President.

The VICE PRESIDENT. The bill will be passed over.

PROTECTION FROM DOWNGRADING ACTIONS AND PROTECTION FOR CERTAIN POSTAL FIELD SERVICE EMPLOYEES

The bill (H.R. 7043) to extend to employees subject to the Classification Act of 1949 the benefits of salary increases in connection with the protection of basic compensation rates from the effects of downgrading actions, to provide salary protection for postal field service employees in certain cases of reduction in salary standing, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

EMPLOYMENT OF RETIRED FEDERAL GOVERNMENT PERSONNEL BY THE DISTRICT OF COLUMBIA BOARD OF EDUCATION

The Senate proceeded to consider the bill (S. 502) to authorize the employment of retired personnel of the Federal Government by the Board of Education of the District of Columbia, which had been reported from the Committee on the District of Columbia with amendments, on page 1, line 7, after the word "to", to strike out "the" and insert "any"; in line 8, after the word "Board", to insert "and which is covered by the provisions of the Act for the retirement of public school teachers in the District of Columbia, approved April 7, 1946 (60 Stat. 875), as amended", and on page 2,

line 8, after the word "who", to insert "having attained mandatory retirement age", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That any former employee of the Federal Government who has been retired under the Civil Service Retirement Act of May 29, 1930, as amended, shall, if otherwise qualified under the rules of the Board of Education of the District of Columbia, be eligible for appointment to any position for which he may be qualified under the rules of the Board and which is covered by the provisions of the Act for the retirement of public school teachers in the District of Columbia, approved April 7, 1946 (60 Stat. 875), as amended, and shall draw the pay or compensation authorized for the position to which he may be appointed, in addition to the pension he is authorized to receive under the Civil Service Retirement Act.

SEC. 2. Any former employee of the Board of Education of the District of Columbia who, having attained mandatory retirement age, shall have been retired under the Act for the retirement of public school teachers in the District of Columbia, approved April 7, 1946 (60 Stat. 875), as amended, shall, if otherwise qualified under the rules and regulations of the Civil Service Commission, be eligible for appointment to the position for which he may be qualified under the rules of the said Civil Service Commission, and shall draw the pay or compensation authorized for the position to which he may be appointed, in addition to the pension he is authorized to receive under the Act for the retirement of public school teachers in the District of Columbia, as amended.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

BILLS PASSED OVER

The bill (H.R. 7622) to repeal sections 1176 and 1177 of the Revised Statutes of the United States relating to the District of Columbia, was announced as next in order.

Mr. BARTLETT. Over, by request, Mr. President.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1747) to stabilize the mining of lead and zinc in the United States, and for other purposes, was announced as next in order.

Mr. FONG. Over, Mr. President, by request.

The VICE PRESIDENT. The bill will be passed over.

CREDITS AGAINST EMPLOYMENT TAX

The Senate proceeded to consider the bill (H.R. 2585) relating to the credits against the employment tax in the case of certain successor employers, which had been reported from the Committee on Finance, with amendments, on page 2, after line 21, to strike out:

(b) The amendment made by subsection (a) shall apply with respect to the calendar year 1955 and each calendar year thereafter. Provisions having the same effect as the provisions added to the Internal Revenue Code of 1954 by such amendment shall be deemed to be included in the Internal Revenue Code of 1939 and shall apply with respect to the

tax imposed by section 1600 of such Code for the calendar years 1951 through 1954.

And in lieu thereof, to insert:

(b) The amendment made by subsection (a) shall apply with respect to the calendar year 1961 and each calendar year thereafter.

And, on page 3, after line 7, to insert a new section, as follows:

SEC. 2. ELECTION FOR QUARTZITE AND CLAY USED IN THE PRODUCTION OF REFRACTORY PRODUCTS.

(a) ELECTION FOR PAST YEARS.—If an election is made under subsection (c), in the case of quartzite and clay used by the mine owner or operator in the production of refractory products, for the purpose of applying section 613(c) of the Internal Revenue Code of 1954 (and corresponding provisions of the Internal Revenue Code of 1939) for each of the taxable years with respect to which the election is effective—

(1) the term "ordinary treatment processes" shall include crushing, grinding, and separating the mineral from waste, but shall not include any subsequent process; and

(2) the gross income from mining for each short ton of such quartzite or clay used in the production of all refractory products sold during the taxable year shall be equal to 87½ percent of the lesser of—

(A) the average lowest published or advertised price, or

(B) the average lowest actual selling price, at which, during the taxable year, the mine owner or operator offered to sell, or sold, such quartzite or clay (in the form and condition of such products after the application of only the processes described in paragraph (1) and before transportation from the plant in which such processes were applied). For purposes of this paragraph, exceptional, unusual, or nominal sales or selling prices shall be disregarded. If the mine owner or operator makes no sales of, or makes only exceptional, unusual, or nominal sales of, such quartzite or clay after application of only the processes described in paragraph (1), then in lieu of the price provided for in subparagraph (A) or (B) there shall be used the average lowest recognized selling price for the taxable year for such quartzite or clay in the marketing area of the mine owner or operator published in a trade journal or other industry publication.

(b) YEARS TO WHICH APPLICABLE.—An election made under subsection (c) to have the provisions of this section apply shall be effective on and after January 1, 1951, for all taxable years beginning before January 1, 1961, in respect of which—

(1) the assessment of a deficiency,

(2) the refund or credit of an overpayment, or

(3) the commencement of a suit for recovery of a refund under section 7405 of the Internal Revenue Code of 1954,

is not prevented on the date of the enactment of this Act by the operation of any law or rule of law. Such election shall also be effective on and after January 1, 1951, for any taxable year beginning before January 1, 1961, in respect of which an assessment of a deficiency has been made but not collected on or before the date of the enactment of this Act.

(c) TIME AND MANNER OF ELECTION.—An election to have the provisions of this section apply shall be made by the taxpayer on or before the 60th day after the date of publication in the Federal Register of final regulations issued under authority of subsection (f), and shall be made in such form and manner as the Secretary of the Treasury or his delegate shall prescribe by regulations. Such election, if made, may not be revoked.

(d) **STATUTES OF LIMITATIONS.**—Notwithstanding any other law, the period within which an assessment of a deficiency attributable to the election under subsection (c) may be made with respect to any taxable year for which such election is effective, and the period within which a claim for refund or credit of an overpayment attributable to the election under such subsection may be made with respect to any such taxable year, shall not expire prior to one year after the last day for making an election under subsection (c). An election by a taxpayer under subsection (c) shall be considered as a consent to the application of the provisions of this subsection.

(e) **TERMS: APPLICABILITY OF OTHER LAWS.**—Except where otherwise distinctly expressed or manifestly intended, terms used in this section shall have the same meaning as when used in the Internal Revenue Code of 1954 (or corresponding provisions of the Internal Revenue Code of 1939) and all provisions of law shall apply with respect to this section as if this section were a part of such Code (or corresponding provisions of the Internal Revenue Code of 1939).

(f) **REGULATIONS.**—The Secretary of the Treasury or his delegate shall prescribe such regulations as may be necessary to carry out the provisions of this section.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended, so as to read: "An Act relating to the credits against the employment tax in the case of certain successor employers and to provide an election for past taxable years with respect to the determination of gross income from mining in the case of quartzite and clay used in the production of refractory products."

BILLS AND RESOLUTION PASSED OVER

The bill (H.R. 8444) to amend the act of August 12, 1955, relating to elections in the District of Columbia, was announced as next in order.

Mr. BARTLETT. Over, by request, Mr. President.

The VICE PRESIDENT. The bill will be passed over.

The resolution (S. Res. 4) to amend the cloture rule by providing for adoption by a three-fifths vote, was announced as next in order.

Mr. BARTLETT. Over, Mr. President, by request.

The VICE PRESIDENT. The resolution will be passed over.

The bill (S. 2426) to revise the Federal election laws, to prevent corrupt practices in Federal elections, and for other purposes, was announced as next in order.

Mr. BARTLETT. Over, by request, Mr. President.

The VICE PRESIDENT. The bill will be passed over.

REFERENCE OF SENATE BILL 1845 TO THE COURT OF CLAIMS

The resolution (S. Res. 144) to refer S. 1845 to the Court of Claims, was considered and agreed to, as follows:

Resolved, That the bill (S. 1845) entitled "A bill for the relief of Moorland Court, Inc.", now pending in the Senate, together with all accompanying papers, is hereby referred to the Court of Claims; and the court shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28 of the United States Code and report to the Senate at the earliest practicable date.

CONSTRUCTION OF RAILROAD SIDING IN THE DISTRICT OF COLUMBIA

The bill (S. 2470) to authorize the construction of a railroad siding in the vicinity of Taylor Street NE., District of Columbia, was announced as next in order.

The VICE PRESIDENT. Without objection, the Senate will proceed to consider the companion House bill.

The bill (H.R. 8466) to authorize the construction of a railroad siding in the vicinity of Taylor Street NE., District of Columbia, was considered, ordered to a third reading, read the third time, and passed.

The VICE PRESIDENT. Without objection, Senate bill 2470 will be indefinitely postponed.

WORKWEEK OF FIRE DEPARTMENT OF THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (S. 1292) to amend the act of June 19, 1948, relating to the workweek of the Fire Department of the District of Columbia, and for other purposes, which had been reported from the Committee on the District of Columbia, with an amendment to strike out all after the enacting clause and insert:

That subsection (a) of section 2 of the Act entitled "An Act to amend the Act entitled 'An Act to classify the officers and members of the Fire Department of the District of Columbia, and for other purposes', approved June 20, 1906, and for other purposes", approved June 19, 1948, as amended (sec. 4-404a(a), D.C. Code, 1951 ed.) is amended to read as follows:

"(a) The Commissioners of the District of Columbia are authorized and directed to establish a workweek for officers and members of the firefighting division of the Fire Department of the District of Columbia which will result in an average workweek of fifty-six hours in any complete work cycle: *Provided*, That no workweek shall exceed seventy hours.

"(b) The firefighting division shall operate under a two-shift system and all hours of duty of any shift shall be consecutive.

"(c) The Commissioners of the District of Columbia are further authorized and directed to establish a workweek for officers and members of the Fire Department, other than those in the firefighting division, of forty hours, and the hours of work in such workweek shall be performed on consecutive days in such workweek.

"(d) The days off duty to which each officer or member of the Fire Department is entitled shall be in addition to his annual leave and sick leave allowed by law. In the case of any shift of the Fire Department beginning on one day and extending without a break in continuity into the next day, or in the case of two shifts beginning on the same day, the Commissioners are authorized to designate the shift which shall be the workday, and the entire shift so designated shall be considered the workday for all pay and leave purposes.

(e) If a holiday shall fall on any day off of any officer or member of the Fire Department, he shall be excused from duty on such other day as is designated by the Commissioners of the District of Columbia, and if he is required to be on duty in lieu of such day off, he shall receive compensation for such duty at the rate provided by law for duty performed on a holiday. When any shift of the Fire Department begins on the day before a holiday and extends without a break in continuity into the holiday, or begins on a holiday and extends without a break in continuity into the next day, the Commissioners of the District of Columbia are authorized to designate either of such shifts as the holiday workday, and the entire shift so designated shall be considered as the holiday workday for all pay and leave purposes. As used in this subsection the word "holiday" shall have the same meaning as such word has in the Act of October 24, 1951 (65 Stat. 607), as amended (sec. 4-808, D.C. Code, 1951 ed.), and as supplemented by the Act of January 11, 1957 (71 Stat. 3; Public Law 85-1)."

SEC. 2. Section 2 of such Act approved June 19, 1948 (62 Stat. 499; sec. 4-404a(b), D.C. Code 1951 ed.), is further amended by redesignating subsection (b) as subsection (f) and by amending the first sentence of subsection (f) as so redesignated to read as follows: "Notwithstanding the provisions of the preceding subsection, whenever the Commissioners declare that an emergency exists of such a character as to necessitate the continuous service of all or some of the officers and members of the Fire Department, the granting of days off shall be suspended during the continuation of such emergency."

SEC. 3. Subsection (e) of the first section of the Act entitled "An Act to provide a five-day week for officers and members of the Metropolitan Police force, the United States Park Police force, and the White House Police force", approved August 15, 1950 (64 Stat. 447), as amended (sec. 4-904, D.C. Code, 1951 ed.), is amended (a) by inserting "the Fire Department of the District of Columbia," after "Metropolitan Police force,"; (b) by striking "Major and Superintendent of Police," and inserting in lieu thereof "Chief of Police, the Fire Chief,"; and (c) by striking therefrom "section 5 of the Act entitled 'An Act to fix the salaries of officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia', approved July 1, 1930, as amended", and inserting in lieu thereof "such section".

SEC. 4. The first section of the Act entitled "An Act to provide for granting to officers and members of the Metropolitan Police force, the Fire Department of the District of Columbia, and the White House and United States Park Police forces additional compensation for working on holidays", approved October 24, 1951 (65 Stat. 607), as amended (sec. 4-807, D.C. Code, 1951 ed.), is amended to read as follows:

"That under regulations promulgated by the Commissioners of the District of Columbia each officer and member of the Metropolitan Police force and of the Fire Department of the District of Columbia when he may be required to work on any holiday, shall be compensated for such duty, excluding periods when he is in a leave status, in lieu of his regular rate of basic compensation for such work, at the rate of twice such regular rate of basic compensation: *Provided*, That for the purpose of this Act, each such officer or member who works eight hours or less on any holiday shall be compensated for such duty in addition to his regular rate of basic compensation for such work, at the rate of one-eighth of his daily rate of basic compensation for each hour so worked, computed to the nearest hour, counting thirty minutes or more as a full hour: *Provided further*, That

Public Law 87-270
87th Congress, H. R. 7043
September 21, 1961



An Act

75 STAT. 567.

To extend to employees subject to the Classification Act of 1949 the benefits of salary increases in connection with the protection of basic compensation rates from the effects of downgrading actions, to provide salary protection for postal field service employees in certain cases of reduction in salary standing, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Federal employees.
Salary protection.

TITLE I—SALARY PROTECTION FOR EMPLOYEES
SUBJECT TO CLASSIFICATION ACT OF 1949

AMENDMENTS TO CLASSIFICATION ACT OF 1949

SEC. 101. (a) Section 507 of the Classification Act of 1949, as amended (72 Stat. 830; Public Law 85-737; 5 U.S.C. 1107), is amended—

(1) by inserting “(including each increase provided by law in such rate of basic compensation)” immediately following “to receive the rate of basic compensation to which he was entitled immediately prior to such reduction in grade” in subsections (a) and (b) of such section;

(2) by striking out “and” in paragraph (3) of such subsection (a);

(3) by inserting “and, with respect to each temporary promotion occurring on or after the date of enactment of this amendment, is not a condition of his temporary promotion to a higher grade” immediately before the semicolon at the end of such paragraph (3); and

(4) by inserting “(including each increase provided by law in such rate)” immediately following “July 1, 1954”, wherever occurring in subsection (c) of such section, and immediately before the period at the end of such subsection.

(b)(1) The amendments made by subparagraphs (1) and (4) of subsection (a) of this section shall become effective as of August 23, 1958. Effective dates.

(2) The amendments made by subparagraphs (2) and (3) of such subsection (a) shall become effective on the date of enactment of this Act.

RETROACTIVE COMPENSATION; VALIDATION OF PAYMENTS; RELATION OF
PAYMENTS TO CIVIL SERVICE RETIREMENT ACT AND FEDERAL EMPLOYEES’
GROUP LIFE INSURANCE ACT OF 1954

SEC. 102. (a)(1) Except as otherwise provided in paragraph (2) of this subsection, payments of increases provided by law in rates of basic compensation are hereby authorized, and shall be made, in accordance with the amendments made by subparagraphs (1) and (4) of subsection (a) of section 101 of this title to section 507 of the Classification Act of 1949, as amended (5 U.S.C. 1107), and in accordance with other applicable provisions of such section 507, as amended, for services to which the provisions of such section 507, as amended, apply and which were rendered in the period beginning on the first day of the first pay period commencing after August 23, 1958, and ending at the expiration of two years immediately following the first day of such first pay period, with respect to each individual who, on the date of enactment of this Act, is on any employment roll of the

Federal Government or of the municipal government of the District of Columbia, as follows—

(A) to such individual for such services so rendered by him, if, on such date of enactment, he (i) is on any such employment roll, (ii) is in the service of the Armed Forces of the United States, or (iii) is retired under any retirement law or retirement system for civilian officers and employees in or under the Federal Government or the municipal government of the District of Columbia; or

64 Stat. 395.

(B) to the survivor or survivors, in accordance with the Act of August 3, 1950 (Public Law 636, Eighty-first Congress), as amended (5 U.S.C. 61f-61k), of any such individual (for such services so rendered by him) who has died prior to such date of enactment, if, at the time of his death, such individual was (i) on any such employment roll, (ii) in the service of the Armed Forces of the United States, or (iii) retired under any such retirement law or retirement system.

(2) Payments of increases provided by law in rates of basic compensation which were made for services described in paragraph (1) of this subsection and rendered in the period described in such paragraph, and which would have been authorized under the amendments made by subparagraphs (1) and (4) of subsection (a) of section 101 of this title if such amendments had been in effect at the time such services were rendered in such period, are hereby validated to the same extent as if such amendments had been in effect during such period.

70 Stat. 743.

(b) (1) Payments of increases described in paragraph (1) of subsection (a) of this section shall not be considered as basic salary for the purposes of the Civil Service Retirement Act (5 U.S.C. 2251-2267) in the case of any retired or deceased individual described in subparagraph (A) or (B) of such paragraph (1).

(2) Payments of increases validated by paragraph (2) of such subsection (a) shall be considered as basic salary for purposes of such Act.

(c) For the purposes of this section, service in the Armed Forces of the United States, in the case of an individual relieved from training and service in the Armed Forces of the United States or discharged from hospitalization following such training and service, shall include the period provided by law for the mandatory restoration of such individual to a position in or under the Federal Government or the municipal government of the District of Columbia.

Group life insurance.

68 Stat. 736.

(d) (1) Increases in rates of basic compensation authorized to be paid by paragraph (1) of subsection (a) of this section shall not be held or considered to be annual compensation for the purposes of the Federal Employees' Group Life Insurance Act of 1954, as amended (5 U.S.C. 2091-2103).

Effective date.

(2) Each change in rate of basic compensation made in the period described in paragraph (1) of subsection (a) of this section by reason of any payment validated by paragraph (2) of such subsection shall be held and considered to be effective for group life insurance purposes under the Federal Employees Group Life Insurance Act of 1954, as amended (5 U.S.C. 2091-2103), as of the first day of the first pay period following the pay period in which the payroll change was approved with respect to such individual.

SAVINGS PROVISIONS

SEC. 103. (a) Nothing in this title or in the amendments made by Bureau of the this title shall be held or considered to modify, supersede, or otherwise Census. affect the application and operation of section 24 of title 13 of the United States Code, which contains special provisions with respect to 74 Stat. 911. the assignment, promotion, appointment, detail, and other utilization of nontemporary employees of the Bureau of the Census in the Department of Commerce in temporary positions in connection with any census.

(b) Nothing in this title or in the amendments made by this title Basic compen- shall be held or considered to modify, change, or otherwise affect any sation, saved increase in a saved rate of basic compensation paid in accordance with rate. the Federal Employees Salary Increase Act of 1960 (part B of title I of the Act of July 1, 1960; 74 Stat. 298; Public Law 86-568). 5 USC 1113 note.

TITLE II—SALARY PROTECTION FOR POSTAL FIELD SERVICE EMPLOYEES

PROTECTION OF SALARY STANDING OF POSTAL FIELD SERVICE EMPLOYEES

SEC. 201. That part of chapter 45 of title 39 of the United States Postal field Code under the heading "Salary Steps and Promotions" is amended service em- by adding at the end thereof the following new section: ployees.

“§ 3560. Salary protection

“(a) As used in this section, the term ‘salary standing’ means— 74 Stat. 648-651. 39 USC 3551-3559. “(1) basic salary and salary level, with respect to the Postal Field Service Schedule (excluding salary levels PFS 17, 18, 19, and 20), “Salary standing.”

“(2) salary for the particular route (including additional compensation for forty hours and under for serving heavily patronized routes), with respect to the Rural Carrier Schedule, and

“(3) gross receipts category, with respect to the Fourth-Class Office Schedule.

“(b) Subject to the provisions of subsection (c) of this section, each employee—

“(1) who at any time on or after July 1, 1961, is or was reduced in salary standing;

“(2) who, on the effective date of such reduction in salary standing, holds or held a career appointment or a probational appointment in the postal field service;

“(3) whose reduction in salary standing is not or was not caused by a demotion for personal cause, is not or was not at his own request, is not or was not a condition of his temporary promotion or temporary assignment to a higher salary standing, is not or was not a condition of his temporary appointment, and is not or was not effected in a reduction in force due to lack of funds or curtailment of work;

“(4) who, for two continuous years immediately prior to such reduction in salary standing, served in the postal field service with the same salary standing or with the same and higher salary standing; and

“(5) whose performance of work at all times during such period of two years is or was satisfactory;

shall be entitled, as of the effective date of such reduction in salary standing or as of the first day of the first pay period which begins on or after the date of enactment of this section, whichever is later, unless or until he is entitled to receive basic salary at a higher rate by reason

of the operation of this section, or until the expiration of a period of two years immediately following the effective date of such reduction in salary standing or immediately following the first day of such first pay period, as applicable, to receive the rate of basic salary to which he was entitled immediately prior to such reduction in salary standing (including each increase provided by law in such rate of basic salary) so long as he continues in the postal field service without any break in service of one workday or more and is not demoted or reassigned for personal cause, at his own request, or in a reduction in force due to lack of funds or curtailment of work.

"(c) The rate of basic salary to which such employee is entitled under subsection (b) of this section with respect to each reduction in salary standing to which this section applies shall be the lesser of the following:

"(A) the amount of the existing rate of basic salary of the employee immediately prior to the reduction in salary standing (including each increase provided by law in such rate) ; or

"(B) the amount of the rate of the salary level or salary range (including each increase provided by law in such rate) to which the employee is reduced, increased by 25 per centum.

"(d) The Postmaster General is authorized to issue regulations to carry out the purposes of this section.

"(e) (1) For the purposes of section 3559(a), the existing basic salary shall be the basic salary which the employee would have received except for the provisions of this section.

"(2) For the purposes of section 3544(h), the basic compensation earned shall be the basic compensation which the employee would have received except for the provisions of this section.

"(f) For the purposes of this section, the term 'curtailment of work' does not include—

"(1) reductions in class or gross receipts category of any post office, or

"(2) reductions in route mileage for rural carriers."

CONFORMING AMENDMENT

SEC. 202. That part of the table of contents of chapter 45 of title 39 of the United States Code under the heading "SALARY STEPS AND PROMOTIONS" is amended by inserting

"3560. Salary protection."

immediately below

"3559. Promotions."

Approved September 21, 1961.

Regulatory
authority.

74 Stat. 651.
39 USC 3559.

39 USC 3544.

"Curtailment
of work."
Exclusions.

39 USC note
prec. 3501.